

# The Nation's Overwriter

LIFE INSURANCE EDITION

FRIDAY, JULY 15, 1932



The Five Star Annuity is:

**NEW,  
DIFFERENT  
ATTRACTIVE  
EFFECTIVE**

## ANNOUNCING...

### The 5 Star Annuity

- ★ Preferred Risk Rates
- ★ Life Income
- ★ Cash Settlement
- ★ Flexible Maturity Dates
- ★ Insurance Protection

Effective July 15 the Lincoln National Life announces this new policy incorporating these five important features

Helping agents build business **NOW**

## THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne, Indiana

# LIFE REINSURANCE STANDARD AND SUB-STANDARD



**North American Reassurance Company**

**LAWRENCE M.  
CATHLES, PRESIDENT**  
250 PARK AVENUE  
NEW YORK

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# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Sixth Year No. 29

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JULY 15, 1932

\$3.00 Per Year, 15 Cents a Copy

### Base Dividends on Current Position!

Superintendent Warner of Ohio in Official Warning to Participating Companies

### ASKS DIRECTORS BE TOLD

State Official Says Carriers Should Not Be Misled by Convention Values

All participating life companies operating in Ohio have received from Superintendent Warner of that state the advice that in the declaration of dividends to policyholders, the actual financial condition of the company, measured by current market values, be taken into consideration.

Judge Warner's communication recalls the important letter that was sent out earlier in the year by Superintendent Van Schaick of New York to all insurance companies, stating, in effect, that the use of so-called convention values should not induce companies to declare dividends unjustified by the actual current condition of the company. Mr. Van Schaick's letter, however, was interpreted as applying more particularly to dividends to stockholders of life, fire and casualty companies.

#### Text of the Letter

The letter from Judge Warner is as follows:

"The department of insurance of Ohio is much concerned over the action the companies may take relative to the declaration of dividends for next year. In permitting the companies to use the convention basis of values for their December 31st statement, the purpose and object was to give the companies an opportunity to adjust themselves as to the unusual condition of the then current values.

"Since values have continued to decline, and current prices of securities are lower than those of June, 1931, it is incumbent upon insurance companies to take only such action with reference to dividends as the then current situation justifies.

#### Dividends on Market Values

"In other words, the insurance department of Ohio is of the opinion that no company should declare dividends based on convention values of June, 1931, but such dividends must be on market values at time of declaration of such dividend.

"It is with a full appreciation of the problems that face the companies at this time, and a desire to throw every safeguard around the policyholders of Ohio, that we make this pronouncement.

"We are thus advising you at this early date so that you may not be misled as to the full scope and effect of the convention values, and the uncertainty

### Double Indemnity Clause Next Up for Consideration

UNDERWRITERS ARE UNEASY

Inadequacy of \$1.50 Per \$1,000 Premium Is Feared in Face of Economic Disturbance

Interest in the disability benefit as a competitive tool, and from an underwriting standpoint, appears to be almost completely dead, and instead the double indemnity clause is coming in more strongly for consideration. There seems to be a growing thought that in view of the desperation caused by the economic situation and the staggering number of suicides, \$1.50 is entirely too small a sum to receive for \$1,000 additional indemnity.

The \$1.50 rate has been in force for many years and under it in the past companies showed very good experience, but one very large eastern company last year showed a substantial sum in red ink on double indemnity and many other companies throughout the country have been having bad experience with it.

#### Large Volume Is Needed

Underwriters' attention now is centered on the fact that over \$600,000 of business bearing the double indemnity clause at this rate is required merely to pay the claim on one \$1,000 policy. This would be a sufficiently disturbing picture if companies had to pay only honest claims. However, of the great number of carbon monoxide deaths in this country every year, underwriters believe the vast majority actually are suicides, although coroners' juries and courts are singularly sympathetic toward the families in returning verdicts of accidental death. About all the courts need nowadays for such a finding underwriters say, is the discovery of a screwdriver and a pair of pliers on the running board in the closed garage where the death occurs, this being accepted as prima facie evidence the policyholder was working on his car. It is a ruse the effectiveness of which the public has become well aware.

#### Automobile Accidents Factor

The constant increase in automobile fatalities is another factor which is increasingly pinching companies writing double indemnity. If it were true the \$1.50 rate was adequate some years back, the increase in auto fatalities alone would make the margin smaller today, and the thought of the future, when every year underwriters may expect the number of automobile deaths regularly greater than the 34,500 last year, is now surely bringing them to the conclusion something must be done about double indemnity.

that exists as to the basis of valuation.

"This letter is being sent to all participating companies operating in Ohio, and we respectfully request that this communication be read at your next regular meeting of your board of directors."

### Policy Loan Demand Far Below Increase in Assets

WIDE MARGIN STILL EXISTS

Volume of Loans in Last 12 Months About Same as for Calendar Year 1931

NEW YORK, July 14.—With laymen and even bankers wondering how much worse the policy loan situation can get before becoming really serious, it is encouraging to know that the volume of policy loans for the last 12 months has been just about the same as for the calendar year 1931.

Even though the volume of cash loans and premium notes had been twice as great as it was a company in no worse straits than the average would not have been obliged to liquidate any of its securities in order to meet the demand. The total increase in policy loans in force was somewhat less than half a billion dollars in the last 12 months, whereas the total increase in assets in the same period was just under one billion dollars.

Actuaries find that the demand for policy loans continues high and predict that it will probably get somewhat higher. The number of applications for policy loans is in the neighborhood of two and one-half times what it was in prosperous times.

#### Great Margin of Safety

While the volume of policy loans outstanding will undoubtedly continue at its present rate or even at a higher rate, the length of time that it would take for the volume to reach such proportions that the annual demand for policy loans would exceed the annual increase in assets of the companies is so great that not even the most pessimistic business prophet could expect the depression to last long enough to make such a condition a reality.

Lapses have, of course, made the increase in policy loans much less than it otherwise would be. Loans canceled by lapsation can no longer be carried as assets, hence when a loan is so canceled it means that it lowers the company's assets by the same amount that it lowers its outstanding policy loans.

Naturally there are individual companies whose condition is not so fortunate as the average according to the foregoing figures. For these the Reconstruction Finance Corporation provides a source of funds and seems able to provide for such needs as may arise. Certainly no better securities could be offered to it than the life companies can furnish. Policy loan statistics for the last 12 months, however, would seem to show that there will be no wholesale amount of borrowing by life companies unless the skies should become many shades darker.

### Connecticut Department Report

The Connecticut department receipts for the year ending June 30 amounted to \$1,019,786. This was only \$14,204 less than a year ago. The premium tax for the year was \$844,585, decrease \$6,769 from a year ago.

### Surrender Issue Attracts Comment

Agents as a Whole Protest Any Increase in the Charge on Cash Value

### SUBJECT UP FOR PARLEY

Companies Continue to Be Battered by Those Getting Loans or Cancelling Policies

Some of the companies, and among them are those of size, are seriously considering readjusting the surrender charge so that in case a policyholder desires to make a loan or cancel his insurance there will be a greater penalty than is now the case. Whatever course is taken will not affect policies in force. No action of this kind can be made retroactive. Therefore if an adjustment of the amount paid to policyholders in case of loan or surrender is made, it can only affect policies issued in the future.

#### Equities Are Not Protected

The change will not do much to bring any relief during the present panic. As time has gone on companies have eliminated almost all the surrender charge, especially in the later years. The proposal is now to adopt heavier charges especially in the earlier years of a policy. In days gone by a policyholder who dropped his insurance forfeited about all the equity he had. Life insurance was regarded as protection only and the equities other than that were not seriously considered. As time went on it was felt that a policyholder had a right to his equity. In making a surrender charge in the more liberal program the feeling was that a policyholder in leaving a company should be penalized sufficiently to meet the expense of putting another policy of similar kind on the books. As the competitive factor became more dominant companies however began reducing the charge until now after a few years it is almost eliminated.

#### Reserve Is Sinking Fund

Agents who have been long in the service have taken the position that one of the greatest selling features introduced in life insurance was the provision for guaranteed loan and cash value. The selling argument was strengthened as the companies regarded the equities as belonging to the policyholders. Agents have used the surrender and loan values as a great argument for the sale of insurance, pointing out the fact that a policyholder created a sinking fund that could be used in time of any emergency. Undoubtedly life insurance has been popularized through cash and loan values and the further fact that these values could be secured at once.

(CONTINUED ON PAGE 9)



## Policyholders Dissatisfied with Inter-Southern Deal

### COMMITTEE IN OBJECTIONS

Kentucky Official Warns Organization of Kentucky Home Life Must Be Speeded Up

The policyholders protective committee of the Inter-Southern Life formed July 2 met July 9 and voiced disapproval with part of the program whereby the proposed new Kentucky Home Life would take over and administer the Inter-Southern.

The report requested more time of the court for consideration of offers and plans. It was held that the plan endorsed by the court appeared to be one backed by the Greenfield interests of Philadelphia, and that while it called for placing Louisville men on the new board of directors, there was no assurance they would remain there.

#### Claim Guarantee Lacking

It was also held that the plan was not a reinsurance program and did not appear to assure that the new company would guarantee or agree to pay either death claims or cash surrender values to the extent provided in contracts.

The committee suggested that the most feasible plan would be mutualization for the benefit of policyholders, so they would have the advantage of continuance of the company, which, it was said, they would almost wholly finance under the Greenfield plan.

The committee was authorized to continue its investigations and instructed to have representatives at all court proceedings in which policyholders' interests may be involved.

#### Talbott in Conference

State Auditor Talbott, acting commissioner, conferred with B. S. Washer, attorney for interests in organization of the Kentucky Home. Mr. Talbott decried the delay and urged that organization be completed quickly. Otherwise, he said he would be compelled to ask the court to continue the Inter-Southern receivership.

Although the court authorized formation of the new company May 28, and its board was to have been announced the following week, so far only two men have been named, Judge C. I. Dawson, of the federal court at Louisville, chairman, and Mayor W. B. Harrison of Louisville, president. Following conference Mr. Washer announced that he was still not ready to announce the board but he said the organization work would be pushed as rapidly as possible.

#### Trusteeship Question

The principal cause of delay, it is learned, is disagreement as to the complexion of the board and the individuals to be named. The disagreement turns primarily on the question of trusteeship of Missouri State Life stock, of which the Inter-Southern held a large block. Interests now in control of the Missouri State are determined that this company shall never again be subjected to the odium which attached in previous fights for control revolving around this same block of stock, and for this reason appear to be dissatisfied with trusteeship proposals made in negotiating organization.

#### URGES PAYING PREMIUMS

LOUISVILLE, KY., July 14.—Advising all policyholders of the Inter-Southern to keep their policies in force by payment of premiums, Lieut. Gov. A. B. Chandler, and the Fidelity & Columbia Trust Company, co-receivers of the Inter-Southern, in a statement to policyholders declared that directors and officers of the proposed Kentucky Home Life would be men of proved and recognized business ability. Explanation was given as to how the premiums re-

## New President



H. E. McPHERSON

H. E. McPherson, new president of the American Union Life of St. Joseph, Mo., has been connected with the company for a number of years and until his recent advancement was vice-president and secretary.

ceived were being deposited daily in trust fund accounts secured by corporate surety depository bonds. It was stated that the proposed company would pay in full all death claims arising under Inter-Southern policies, both future and accrued.

#### CRIMINAL CASES DISMISSED

LOUISVILLE, KY., July 14.—Under peremptory instructions to a federal jury, Federal Judge C. I. Dawson dismissed criminal proceedings against J. B. Brown, former president, and C. F. Jones, former vice-president of the defunct National Bank of Kentucky, holding there was no evidence to uphold contention of the prosecution that they, along with Rogers Caldwell of Nashville, individually profited, or had any intent to injure the bank, in making loans to the Caldwell & Co., interests, amounting to \$1,000,000 and secured by stock of the Inter-Southern. All state court indictments against these officers have been cleared. There is one federal indictment still pending, charging Brown with misapplication of \$400,000 in loans and overdrafts to the Herald Post Co., owned and published by Brown, but it was announced after the trial July 8 that this indictment would be nolle.

#### POSTPONES RESIGNATION

LOUISVILLE, July 14.—Mayor W. B. Harrison of Louisville, who some weeks ago announced that he would resign Aug. 31, to become president of the Kentucky Home Life today was quoted as stating that he will not be able to quit the city for two or three months later than that date.

#### Denver to Entertain Delegates

DENVER, July 14.—A large number of eastern delegates to the San Francisco convention of the National Association of Life Underwriters next month will stop off here for a day, according to announcement of the Colorado officers. The delegates will be taken for an automobile tour through Denver's mountain parks, and the party will pause at Troutdale-in-the-Pines, well known mountain resort, for luncheon. James Godard, general agent Franklin Life, is in charge of arrangements. The convention party will proceed to San Francisco, taking the famed Royal Gorge route from Denver.

## Receiver for Victory Life of Chicago, Negro Company

### FEDERAL COURT IN DECREE

Company Was Affiliated with the Douglas National Bank, Also in Receivership

Attorney A. A. McKinley of Chicago and James Gullet, an assistant attorney-general of Illinois, have been appointed co-receivers for the Victory Life of Chicago, the Negro company, by Federal Judge Wilkerson at Chicago. The petition for receiver was presented by Gilbert Wagner of the law firm of Stansbury, Wagner, Callaghan & Welsh in the name of Ludie G. Means of Gary, Ind., a policyholder and stockholder of the Victory Life.

Mr. Wagner alleges that the capital, which on Dec. 31, 1931, was \$200,000, and surplus, which on that date was \$22,287, are wiped out and that there is a "slight" impairment of the reserve.

One of the company's chief difficulties was its affiliation with the Douglas National Bank, also a Negro institution, Anthony Overton being president of both the bank and the insurance company. The bank is in receivership and the Victory Life carries stock in the bank at \$73,350. There is possibility of stockholders' liability also. There is an item of about \$45,000, being a mortgage on the Olivet Baptist church, which the Illinois insurance department has declined to admit.

#### Took Over Property

The Victory Life also has an investment entered at \$172,681 in a 33 apartment and office building at 56th and State street, Chicago. The company made a loan on this property and subsequently took the building over and has been preparing to convert the ground floor into a home office building. Its present home office is at 3621 South State street.

Mr. Wagner states that every effort will be made to rehabilitate the company. An outsider, possibly a white man, may be brought in to administer the company. Capital stock may be reduced to \$100,000, thus writing off \$100,000 of the impairment and possibly the Illinois department can be induced to reinstate the mortgage on the Olivet Baptist church.

The Victory Life, until about a year ago when it was barred from New York, was the only Illinois company operating in New York state.

There have been factional controversies in the Victory Life and about two months ago C. A. Shaw, assistant to the president, and J. E. Stamps, manager of agencies, were forced out. They were replaced by I. J. Joseph and V. D. Johnston of Howard University, both of whom were formerly connected with the Victory Life. Mr. Joseph returned as general manager and Mr. Johnston as secretary.

As of Dec. 31, 1931, the Victory Life reported admitted assets of \$1,216,730; reserve \$811,788; capital \$200,000 and surplus \$22,287. Insurance in force amounted to \$16,207,321.

The Victory Life was started in 1924. It has been operating in the District of Columbia, Illinois, Indiana, Maryland, Michigan, Ohio, Kentucky, Missouri, Virginia, West Virginia and Texas.

#### BARRED FROM MICHIGAN

LANSING, MICH., July 14.—The Victory Life of Chicago has been served with formal notification by the Michigan department that it is being denied a certificate of authority for the current licensing year and its dozen or more agents are being refused licenses.

The department explained in its communication that the company has pursued an unsatisfactory investment policy and has failed to make reforms suggested by the department, and that its

## Chicago Mutual Is Formed to Guarantee Home Building

### NOVEL PLAN IS FORMULATED

Incorporators Say 38 Life Companies Have Pledged Financial Backing for One-family Residences

The Firesafe Homes Indemnitor, a mutual, has been formed at Chicago as one of a group of corporations built around the idea of financing and constructing fire-resistive one-family residences of superior type in the Chicago area on order by individuals.

Some 38 of the smaller life insurance companies throughout the central west are interested, according to D. L. Jacobson, originator of the idea and sole owner of a central group, the Firesafe Homes Bureau of Chicago, with which are affiliated over 40 manufacturers of building materials and building subcontractors. The life companies, according to Mr. Jacobson, have pledged \$10,000,000 to be made available through a finance company, the American Registry Company. The life companies will take first mortgages for 70 percent of the selling price. The plan calls for two-thirds of the paper thus secured to be sold to small banks, endowments, universities, etc., over a large area.

#### To Be Built by Corporation

The homes will be built by the National Firesafe Home Builders Corporation of which Mr. Jacobson is president and C. W. McCumber is secretary. C. E. Bogart is president of the registry company.

Officers of the Firesafe Homes Indemnitors are: President, A. P. Brown of B. F. Reynolds & Company, heating engineers; vice-president and treasurer, I. Callner of the Joseph Lumber Company, and secretary, C. W. McCumber, also secretary of the national corporation.

The loans will be made on homes to cost between \$6,500 and \$25,000, built on lots where the owner has clear title, and will be 15-year, amortized, with 6 percent interest, a 5 percent commission being charged, deductible in advance. Payments are to be \$8.44 per month per \$1,000 of sale price.

#### Provide Guaranty Fund

The plan calls for 2 percent of gross payments made by individuals to go into a surplus or guaranty fund of the Indemnitors, and 10 percent of gross profits of construction companies similarly to be set aside. These two items are to be not less than 3 percent of gross volume from sale of homes.

According to Mr. Jacobson, who for many years was in charge of promotions for the Trus-Con company, manufacturing steel building material, the specifications call for homes of permanence and beauty. Exterior will be of masonry with heavy insulation of refrigerator type. All floors will be of white oak parquet laid on steel joist and concrete sub-floors. No wood framing will be used below the eaves, he said. Roofs will be of slate and down-spouts and other metal work of copper, and each home will have an air conditioner, oil burner, incinerator, refrigerator and other conveniences. The price will run from 33 to 38 cents per cubic foot, Mr. Jacobson said, comparing favorably with ordinary construction, and with 80 percent coinsurance clause the insurance rate for the type of construction specified it is estimated will be 6.4 cents.

internal affairs have not been settled in compliance with departmental advice. The letter stated: "We can, under the circumstances, take no other position than that the interest of policyholders of this state is not fully protected and that further issuance of policies should be prohibited."



## Appointments Are Cause of Concern

President Brown of Texas Association Blames Agency Laxity for Many Ills

### SENDS VIGOROUS LETTER

Members Urged to Work for Qualification Law, Agreement to Limit Unwise Methods

President Matthew Brown of the Texas Association of Life Underwriters severely criticizes in a vigorous letter to members what he terms the widely prevalent practice of appointing "anybody as an agent anywhere under practically any circumstances," in many instances even to write one case.

He said 80 percent of agency managers and general agents, together with home office supervisors and companies, know practically nothing about agency work; that conditions in the state are running wild, and 80 to 90 percent of the companies and general agents, managers and supervisors will appoint anybody anywhere.

#### Makes Appeal for Control

"Don't you think the time has arrived in Texas when we should attempt to protect the public from such unwise agency methods?" he asked. "There is no use of our assuming that everything is coming out all right and to let well enough alone. Such a lazy attitude will lead only to trouble. This proposition must be controlled. No one is better qualified to control it than the insurance men themselves."

He suggested that a bill be prepared for presentation in the next legislature to eliminate some of the "ridiculous things" now being permitted. He also asks that members immediately get in touch with the insurance commissioner, asking him for names and dates of appointment of agents in their counties, and to get together with all persons having anything to do with the appointments with the idea of effecting an agreement as to proper agency practices.

#### Qualification Law Needed

He said ten years ago it was not thought necessary to have a proper agency law in Texas but today it is. He said a number of agents are natural "bellyachers" who have pet griefs and run from one company to another, switching their business as they go. He said a man who doesn't make good with one company will not improve by changing connections. He cannot get away from himself. Mr. Brown said men of this type when they realize they can no longer run wild, often will settle down.

Another difficult problem in Texas is the underwriter who escapes bankruptcy by switching companies. Making of advances has been common practice. When the "pap" is cut off the men change their connections. If these advances were not available anywhere for these men, Mr. Brown believes, they would settle down and build constructively.

#### Criticizes Another Practice

He deplored the practice of contracting other companies' agents without consulting the company or its general agent, a questionable practice practically no different from twisting, he said.

"What we want to accomplish is to

## Death of Allison, Sr., Takes Dean of the Insurance Press

Young E. Allison, Sr., chairman of the board of the "Insurance Field," was stricken with a heart attack at his home and died Thursday night of last week. He had been in fairly good health until June 16 when he suffered a heart attack. He rallied but remained at home under the care of a physician. His family seemed to have confidence in his recovery but he suffered another attack July 5.

Mr. Allison was one of the founders of the old "Insurance Herald" of Louisville in 1888. Louis N. Geldert was business manager and purchased the controlling interest in 1899. Mr. Allison retiring from the publication. Shortly thereafter Mr. Allison and his associates founded the "Insurance Field," thus perpetuating his position in insurance newspaper circles.

#### Kept Up His Active Interest

He was 78 years of age last December. Funeral services were held Saturday afternoon from the family residence, the services being conducted by Rev. F. W. Hardy, senior canon of Christ Church Cathedral. Mr. Allison went to his office regularly and kept an active interest in the business. He was the dean of insurance newspaper writers, a man of wide literary accomplishments and taste, who had a fine acquaintance with the best that has been written. His son, Young E. Allison, Jr., is president of the "Insurance Field."

Mr. Allison was born at Henderson, Ky., Dec. 23, 1853. His father, Young E. Allison, was a leading citizen, presiding as magistrate, county judge and county clerk. Before he was 13 years old Mr. Allison was deputy county clerk and at the age of 14 was working in a country newspaper office. His name appeared shortly thereafter as local editor of the "Henderson News." The "Chronicle" was the first daily paper published in Henderson and was established by Mr. Allison at the age of 19. He left a year later to go to Evansville, Ind., to become city editor of the "Journal" there.

#### Located in Louisville

In 1880 Mr. Allison located in Louisville, becoming city editor of the "Courier Journal." Later he was managing editor of the old "Louisville Commercial." From 1886 to 1889 he was secretary of the Louisville Board of Trade committee that was boosting the city and was instrumental in organizing the Commercial Club. L. T. Davidson and August Straus were associated with him in founding the "Insurance Field."

#### Returned to the Daily Field

He continued as its editorial head until 1902, when he became editor in chief of the old Louisville "Herald." It was in 1902 that Mr. Allison induced C. I. Hitchcock, who was insurance editor of the Chicago "Record Herald," to go to

Louisville and take charge of the "Field." Mr. Allison returned however in 1905 giving all his time to the "Insurance Field" after he disposed of his interest in the Louisville "Herald."

He was an omnivorous reader and very discriminating in his tastes. Perhaps Mr. Allison created his greatest fame in writing the ballad, "The Derelict," which completed Robert Louis Stevenson's fragmentary "Fifteen Men on a Dead Man's Chest." This poem of Mr. Allison's was set to music by Harry Waller. In collaboration with Mr. Waller Mr. Allison wrote the librettos of a number of operas. Mr. Allison was very fond of reading novels. He wrote a book entitled "The Delicious Vice." This had to do with the reading of fiction.

#### Acquainted With Literary Folk

He enjoyed the acquaintance of many literary men of his generation. James Whitcomb Riley dedicated a volume, "Riley's Songs of Friendship" to Mr. Allison. J. Christian Day, Chicago, librarian, wrote a book, "Echoes of Robert Louis Stevenson" dedicated to Mr. Allison. "The Outlaws of Cave In Rock" by Otto A. Rothert was also dedicated to Mr. Allison. Mr. Allison was deeply interested in the movement to save Federal Hill at Bardstown, Ky., the Rowan home, where Stephen Collins Foster wrote "The Old Kentucky Home." He became a member of the first "Old Kentucky Home" commission and was the author of a book giving the history of the song and other details of the shrine now standing at Bardstown. In fact the last trip that he took was in early June when he went to Bardstown accompanied by John Doyle, who had written a number of articles on Catholic history in Kentucky.

#### Wrote on Note Paper with Green Ink

Because of his deafness which increased in later years, Mr. Allison did not keep up his personal outside contacts with the insurance world. The old timers knew him well and were often recipients of penciled notes from him for, as was his habit, he often wrote on yellow note paper with green ink. He used this largely in writing his copy for the "Insurance Field" and his other literary efforts. In his earlier days he frequently appeared before insurance gatherings and was widely known as a most companionable, urbane and amiable gentleman. He had a delicious sense of humor. His editorials and sketches in the "Insurance Field" were often picked out and relished by those who were acquainted with his style.

Mr. Allison is survived by Mrs. Allison, Young E. Allison, Jr., and George S. Allison of New Orleans. He remained as president and editor of the "Insurance Field" until January, 1930, when his son, Young E., Jr., succeeded him.

## Annual Meeting of Unusual Interest

Plans for the Great Gathering of Sales Executives in Chicago

### VITAL SUBJECTS ARE UP

Life Insurance Research Bureau and Agency Officers Association Announce Preliminary Plans

HARTFORD, July 14.—Plans for the joint annual meeting of the Life Insurance Sales Research Bureau and the Association of Life Agency Officers, which will be held at the Edgewater Beach Hotel, Chicago, Nov. 1-3, are rapidly taking shape.

Having in mind the problems confronting the general executives of companies as well as the agency executives, the program is being built around three main topics. These are "Conservation of Business," "Financial Management of Life Companies" and "Getting Business Under Present Conditions." It is hoped that the results of some of the research projects now being carried out under the direction of the bureau will be available at that time.

#### Will Discuss Conservation

Tuesday morning, Nov. 1, will be devoted entirely to "Conservation." Some of the phases of this problem which will have particular attention include value of reinstated business, conservation through contractual provisions, and re-writing heavily loaned business.

Financial management and the importance of agency department operations as they relate to the financial progress of a company will be discussed Wednesday morning, Nov. 2. Of vital interest to company executives are two of the subjects which will be covered on Wednesday. These will be discussions of the value of business to a company and budgetary control.

#### Man Power Report

Thursday morning will be given over to reports of the man power committee, life insurance day committee, the bureau management, and to the presentation and discussion of a subject which has the universal attention of agency executives throughout the country. "Getting Business Under Present Conditions" will be presented by a number of the bureau staff and discussed by a group of agency executives whose companies are utilizing well organized sales plans to maintain production under today's conditions.

#### Group Sessions to Be Held

An innovation of last year's meeting which met with the approval of all those in attendance were the group luncheons at which company representation was divided, according to size, into four groups. This year it is planned to eliminate the luncheons but to extend the time for group discussions by devoting the afternoons of Tuesday and Wednesday to group meetings. There will be five groups arranged according to size of companies represented, and each group discussion will be led by a chairman, assisted by a member of the Bureau staff.

Thursday afternoon there will be no group meetings but a general session which will be addressed by a nationally known sales manager who is famous for the results he has achieved and his ability as a speaker.

attract into our business the right type of business man," he said. "Make it possible for him to earn a living. How can this be done when our present system is to create thousands upon thousands of mail retail outlets or distributors? They are more numerous than oil stations. Is this condition satisfactory to the company? To the general agents and managers? I doubt it. Acquisition and lapsation will take its toll. The people will get cheap insurance ideas.

"We must have policyholder-minded agents, less distributors and more of them earning a good living. When we attract a cheap class of men into our business, they will do a cheap business and cheapen the business. How many men associated with you are earning a living? When a company, agency man-

ager or supervisor loses the agent's viewpoint, they are through.

"We hear so much today about rebating, twisting, lapsation, agency turnover and acquisition cost—these insurance problems and difficulties are results; they are the leaves and fruit on the insurance tree. These results flow from the agency root of wrong selection of the wrong type of business men and the results of tens of thousands of men going in and out of our business every year with tens of millions of business being lapsed, rebated or twisted, follow in the wake as a natural consequence.

"This is the first problem for Texas insurance men to consider. Make the start. You won't clean this up in a month or a year, but five years from now your business will be on a higher scale."

## What a Father Did for His Daughter

**W**HEN she was 25 years old he bought for her a single-premium life annuity of \$1000 a year payable \$500 semi-annually.

That was over 43 years ago. In all she has received \$43,500; and the New York Life will, of course, continue to send her a check for \$500 every six months as long as she lives.

She is almost 69 years old, a widow.—Can you think of any other gift her father could have made her that would have been so enduring, so helpful to her, so thoroughly significant of his desire to make her life financially safe?

He had protected her whether he lived or not, whether she married or not and (if she married) whether her husband should prosper or fail or leave her unprovided for in event of his death.



HOME OFFICE BUILDING

### NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

### Improved Special Services Perfected by A. L. C. Bureau

#### MEET MORTALITY EMERGENCY

New Blanks Are Designed to Disclose  
and Develop Information  
on Deaths

The general economic situation having brought increasing selection against life companies, resulting in a considerably higher death rate during the past few years on insured lives, while the mortality trend of the population as a whole has been downward, the American Service Bureau, which serves life companies that are members of the American Life Convention, has perfected several special services designed to protect its clients from unfair death claims.

#### Draft New Report Forms

The new special service is designed better to serve the A. L. C. companies in the present emergency. New report forms have been designed to cover the situation and, if the company desires, a special death claim investigation is made.

The bureau is concentrating somewhat on claims arising within the contestable period and its new "death claim report" is designed to disclose any misrepresentations as to age, occupation, health and habits at the time the policy was issued. It also provides for information relative to any motives for and possibility of suicide. If the death of the insured resulted from an accident, complete details are given with explanation of the events leading up to the accident.

#### Another Form Available

The "death confirmation report" is another form the bureau recommends for use in every death claim. Through this inspection report the identity of the deceased is completely established; the fact of death and the exact age at time of death are also carefully checked for the information of the company, while any questionable circumstance surrounding the death is also reported through this form.

According to L. N. Parker, vice-president and general manager American Service Bureau, the "special death claim investigation" has already proved of valuable assistance in consideration of early death claims, particularly those involving large amounts of insurance or where there is a suspicion of speculation. This form is also helpful in cases where accident and double indemnity insurance are involved.

### Southern Company Employs Method Eliminating Agents

The Oklahoma Southern Life has introduced a "direct to you" selling plan for which it is claimed that it eliminates the services of salesmen. Letters are sent to prospects outlining benefits to be derived from life policies of this company. A card is enclosed containing blanks for age, date and place of birth, height, weight, race, color, occupation, beneficiary's name, relationship and address, condition of health and amount of insurance desired, with the request the prospect fill and return, upon receipt of which the company will submit a policy based upon the information received.

This, it is claimed, will eliminate the commission of an intermediate agent and reduce the premiums for the assured. A prepaid postage envelope is also enclosed. In the "direct to you" service, the company claims a policy can be delivered guaranteeing the same amount of protection, with certain added features, at a cost approximately 60 percent of rates usually quoted for life insurance. No medical is required.

### Has Excellent Record of Weekly Production

A remarkable record of consecutive weekly production has just been completed by John Joseph, Green Bay, Wis., representative of the National Guardian Life.



JOHN JOSEPH

Mr. Joseph, by sending in an application for the week ending July 2, completed 529 weeks of consecutive weekly production—an even 10 years during which he has not missed a single week in producing a bonafide application for new life insurance. Mr. Joseph has been with the company since 1914 and during all of the 18 years of his connection has been one of its leading producers.

### Scheme to Grant Insurance Against Divorce in Congress

WASHINGTON, D. C., July 14.—Legislation repealing the act legalizing the incorporation of national trade unions was favorably reported to the House by the District of Columbia committee but is not expected to come up for consideration until next December. The measure has already been passed by the Senate. The measure providing for incorporation of such organizations was passed in 1886 but was never availed of until 1928. Since then 27 so-called national trade unions were formed.

"These organizations," it was explained in a report by the Senate district committee, "have two points in common. All operate in Texas and all were formed for the purpose of conducting an insurance business. Most, if not all, insure marriage; that is, they insure married couples against divorce."

The legislation was not intended as a vehicle for the formation of insurance organizations, it is pointed out, but to aid in the formation of national trade unions. By securing a charter under the law, however, these so-called trade unions are able to avoid supervision by insurance departments. The repeal of the law would make them amenable to supervision by the insurance departments of the states in which they operate.

### Frown on Mail Order Concern

LANSING, MICH., July 13.—The Burbank Mutual Life & Benefit Association, Los Angeles, is creating some worries for the Michigan department through its persistent mail solicitation of business. The department is advising all inquirers, as is its consistent policy, to shun any dealings with this carrier which does not profess to be an insurance concern but merely a mutual aid society with philanthropic leanings.

### LaPorte Leaves Institute

A. N. LaPorte, who has been doing field service work for the Life Extension Institute of New York, has terminated his connection with the company. In fact the institute is cutting down on its field service owing to business conditions. Messrs. Borden and Wisner, two new men engaged last October to cover New England and the east, have retired. Mr. LaPorte is well known to life insurance men, having gone with the institute 12 years ago. At that time it had four life companies as clients. It now has over 40. Mr. LaPorte covered home offices in all parts of the country and Canada.



## Insurance of the Needy Being Saved

Bureau Handles 30,000 Policies of  
Charity Subjects Per  
Month

### WORK NOW NATIONWIDE

Social Agencies Cooperating in Under-  
taking Sponsored by Metropolitan,  
Prudential, and John Hancock

NEW YORK, July 14.—The often intricate problems of adjusting the industrial life insurance of families dependent on social agencies are now being handled at the rate of about 30,000 policies a month by the Life Insurance Adjustment Bureau, which has its headquarters at 450 Seventh avenue here.

The bureau was organized about a year ago as the result of a conference of a committee of the National Conference of Social Work with a committee representing the Metropolitan Life, Prudential and John Hancock, who have in force about 85 percent of the country's industrial insurance. The bureau operates for the benefit of dependent families who are policyholders in any of these three companies.

#### Social Workers' Attitude

Prior to the establishment of the bureau the tendency among social workers was to minimize the value of the life policies and insist that none of the money they were providing for the family's support should go to pay life insurance premiums. The social agencies now report to the bureau cases where they think adjustment should be made and a plan is worked out so as to provide the needed amount of protection at the least possible cost. Frequently it is possible, by changing the plan from endowment to ordinary life, for instance, to effect a considerable saving in the weekly premiums and give the policyholder a certain amount of cash.

The bureau at first concentrated its efforts in New York City but its work is becoming nationwide. In New York it deals through all social agencies, particularly the Catholic Charities, the Jewish Social Service, and the Society for the Improvement of the Condition of the Poor.

The managing committee includes J. K. Gore, vice-president and actuary of the Prudential, chairman; D. B. Armstrong, M. D., third vice-president Metropolitan Life, and C. F. Glueck, manager, life conservation service, John Hancock Mutual Life. E. G. Eklund is manager of the bureau.

### Quit Hoarding Enthusiasm; Get Down to Brass Tacks

Vice-President G. F. Claypool of the Continental Assurance of Chicago in a talk before agents of his company in western Michigan at Grand Rapids took the position that business men should stop hoarding enthusiasm and get to work if they want better times. Naturally, he said, business conditions are undergoing a material readjustment. These changes must be met and people must conform to them. They should, however, in their realignment take an optimistic view and benefit by the new set-up. He thinks that moderate sized and smaller businesses of various kinds will have a much better show than they have in the past.

# The Professional Mourner vs. A Sense of Proportion

PICK up a sensational newspaper, serving a curiosity about the less admirable exhibitions of our common humanity, and the quick and natural conclusion is, "Nobody has any morals."

But look up from that page and regard sanely your own neighborhood of decent, responsible persons, doing the day's work, raising families on a foundation of self-respect and community responsibility; and your point of view changes.

The careless phrase, "Nobody has any morals" dies on the fresh, clean wind of fact, as will the thoughtless chant now coming into vogue, "Nobody has any money."

The professional pessimist, enjoying his brief place in the sun, has no concern with facts. To his distorted vision the world is hurtling merrily to the bow-wows. He sees the man who has no job and forgets the twenty who still rise to "Big Ben's" call in the morning. He moans as he hears the shutters close on a once pretentious mansion and closes his ears to the sound of the hammer and the saw as his neighbor builds a new porch on what he is still proud to call his home.

It does not require any great perspective or sense of humor to appreciate the absurdity of the professional mourner's position, as he chants his dirge, "Nobody has any money."

Somebody has money to buy everything which can be sold. Somebody has money to invest in life insurance at a time when as never before, it looms as a "great rock in a weary land."

Forget the exhibitionist few who make the front page and remember the great quiet army of those who are not "news"; those who have not given up, but are working toward something better for themselves and their children. They are still buying bread and butter and an occasional piece of cake. And they are still buying insurance from the life underwriter who refuses to lose his sense of proportion.

*John Hancock*  
MUTUAL  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

## Heroic Bronze Statue Will Be Dedicated at Ft. Wayne

DEPICTS LINCOLN AT AGE 21

Lincoln National Life Will Have Figure  
Placed in Its Entrance

Court

The Lincoln National Life heroic bronze statue "Abraham Lincoln, the Hoosier Youth," will be formally dedicated at Fort Wayne in mid-September, F. B. Mead, executive vice-president, has announced.

Since the founding of the company, its officers have had before them the desire to honor appropriately the memory and ideals of the man after whom the company is named. The present statue marks the culmination of these plans.

From the time Lincoln was seven years old until he reached the age of 21, he made his home in a community near Rockport, Ind. Therefore, it was deemed proper by those company officers in charge of the statue to depict

Lincoln as he appeared during his days in Indiana. After a careful study of all the outstanding sculptors of the time, Paul Manship, in 1928, was awarded the commission for this memorial.

This bronze, which will be erected in the entrance court of the home office building in Fort Wayne, shows Lincoln at the age of 21, as a lithe, clean-limbed young frontiersman. He is dressed in a leather shirt, breeches and boots. A typical hound dog of the period is at his feet. An axe, symbol of his Indiana occupation of railsplitter, is at his right.

This is the only bit of sculpture in the world showing Lincoln at this age and as such, has an interesting history behind it. No photo, drawing or accurate description of Lincoln at this age exists and before work on the statue could be started, a careful study of Lincoln's history, family surroundings, later photographs, etc., was made.

Some idea of the size and majesty of this memorial can be gained from a survey of the weight of the various pieces. The bronze figure of Lincoln weighs 4½ tons; the pedestal 14½ tons; the granite base 60 tons; and the four pedestal medallions 250 pounds each. For the occasion Mr. Mead is preparing a brochure on the bronze statues of Lincoln throughout the world.

## Plan for Meeting Loan Problem Proposed by Actuary R. A. Hann

The author of the following communication is R. A. Hann, consulting actuary of Denver:

In the June 10 number of THE NATIONAL UNDERWRITER an editorial, "The Twister's Dilemma," stated that a self confessed twister has reformed for the reason that by discrediting the insured's company he destroyed the policyholder's faith in all insurance companies and hence was unable to make any gain by rewriting the insurance in some other company.

As outlined in the editorial but possibly not made very clear to the average layman, the twister's work is always one of tearing down and opposed to the building up of confidence in the public's mind, the mainstay of the insurance business.

In the life insurance field the twister generally uses one of two plans in securing his victims:

First, the apparently convincing argument of "Why allow the insurance com-

pany the use of your money (the reserve on your policy) upon which it pays you only 3 or 3½ percent, while you can readily invest it safely so as to earn 6 or more percent interest?"

Second, "What becomes of the reserve or premiums paid if you die say within the first 20 years?" The return premium policy is then offered as the panacea.

### Assume Unfair Treatment

Both forms of argument are based upon the assumption that the policyholder has been unfairly treated by the insurance company.

At present a large opportunity for business is open to the twister by the abnormal increase in policy loans.

In order to meet the progress of the times and the struggle to write a larger amount of new business, the companies have gradually broadened their underwriting practices and today are doing things which would make the old insurance executives turn over in their graves. Non-medical might be one of the worst of these offenses.

It has occurred to me that today is the time to meet not only the loss of business resulting from the twister's efforts but also to overcome the increase in lapses which we all know is confronting us, especially from business carrying loans. Many companies have already formulated and put in practice their plans for meeting this contingency.

### Plan Is Suggested

The writer has one which he is offering as a simple solution, one which he does not take the credit of originating but believes thoroughly accomplishes the results desired and at the same time will appeal to both the insured and the company as being fair and safe to both. The plan simply is this: After the insured has taken a loan upon his policy, cancel the original policy and issue a new one for the same or less amount without a new medical examination, but such new policy to bear the date of surrender of the old policy as the date of issue of the new policy which will carry a premium based upon the attained insurable age of the insured at time of re-issue. No commissions should be allowed the agent and if the company is operating upon the preliminary term basis, the insured can be given the advantage of a premium for an age one year less than at the time of rewriting. The date of issue of the new policy would also be one year earlier. I can hear the chief objection from the company officials, that is, how will we meet the medical selection against the company if such a plan were adopted? My answer is, that if the insurance was properly sold at the start and the provision is made applicable to every standard policy (sub-standard excepted) outstanding upon the company's books, then the selection against the company will be so small that it can be ignored. When we consider the cost of replacing such lapsed business, I am convinced the company will be far ahead both financially and otherwise.

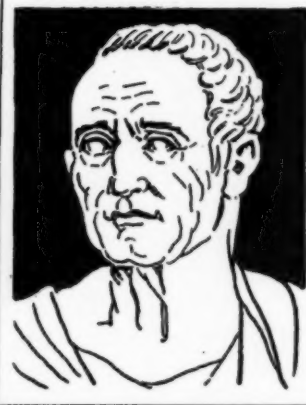
My plan would be the adoption of a rider to be attached to and made applicable to every standard policy on the company's books at time of adoption, such rider to read somewhat as follows:

### Wording of Clause

"At any time after three or more years' premiums have been paid upon this policy contract, the same being in full force and effect, the insured shall have the right to take the full cash or loan value hereunder in cash and upon the surrender of this policy contract and by the payment in advance of a premium based upon the premium rate shown in the following table of premium rates per \$1,000 for his then at-

(CONTINUED ON PAGE 9)

# Great Salesmen of History



CATO THE ELDER

CATO THE ELDER was remarkable for his austerity of life and manners.

In the realm of literature he was the first writer of prose history of Rome to use his native tongue.

A constructive statesman of rare ability and a brilliant orator, he looms out as one of Rome's greatest patriots. Seeing signs of a revival of the commercial and maritime strength of Carthage, Cato was largely responsible for the Third Punic War which wiped Carthage off the face of the earth. His famous cry with which he concluded every speech in the Senate—"Carthage must be destroyed!" has come thundering down the ages as a dramatic example of the power of repetition of attack on a basic idea.



# ROYAL UNION LIFE INSURANCE COMPANY

A. C. TUCKER  
Chairman of the Board

DES MOINES, IOWA

J. J. SHAMBAUGH  
President



## Young E. Allison—An Appreciation

By EDWARD JAY WOHLGEMUTH  
President The National Underwriter

Large as Young E. Allison loomed in the insurance world, it is not as an insurance editor that he will be best and longest remembered. The fact that a man could make the contribution to a great business that Mr. Allison did and yet to have that achievement regarded merely as one of his many sides, shows us at once that he was a man of unusual intellectual stature. In Louisville and throughout Kentucky, where he was as well known and as highly regarded as he was throughout the insurance world, people could not understand how Mr. Allison could have become prominent in such a dry field as insurance statistics and as the editor of a paper devoted to business in a great economic field because they knew and regarded him as a delightful critic, a historian, poet and writer in every field but that of dull business.

It would be unfair to Mr. Allison to say that he was less interested in the

personality. The day after his death each of the Louisville daily papers devoted its leading editorial to him. One of them called him a genius. Perhaps he was that. I do not know what a genius is. The best I can do towards making an estimate or appreciation is to say that I believe he was cast very much in the mold of Robert Louis Stephenson and to this I would add that there was probably a greater appreciation of Stephen Collins Foster, the great American song writer, than Stephenson could have given. He had both sides of Stephenson; the side which could write "Fifteen Men on a Dead Man's Chest," which Allison completed, and the finest flowers of imagination and criticism which Stephenson showed in his descriptive writings, essays and tales. His understanding of Foster, that rare and lonely emotional spirit, was supreme. No one will ever be able to write about Foster as Allison could have had he

It is particularly appropriate that Mr. Wohlgemuth, the head of The National Underwriter organization, write a word in tribute to the late Young E. Allison of the "Insurance Field" because Mr. Allison was his old time employer. In fact, Mr. Wohlgemuth always looked upon him with solemn reverence, an attitude that he perhaps has not shown to any other man in like degree. As a young man Mr. Wohlgemuth went with the old "Insurance Herald" of Louisville in 1895, when Mr. Allison was at its head. He was just starting in the world of affairs and in his plastic state of mind received from his superior impressions and lessons that were penetrating and lasting.—Editor.

insurance business than in his many other interests. In fact, it is very clear that his major interest was insurance, not only because he made his living that way, but because he found something especially congenial in the insurance atmosphere. He enjoyed the association of many of the choicest spirits and especially the leading executives. There was something in his fine intellectual grasp of all subjects that made him just as much at home with the creative minds and leaders of insurance as with, for instance, James Whitcomb Riley. Men in every field found his mind equal or superior to theirs. Although not educated in music, he readily understood the greatest music, and produced several operas. He spent many happy hours and days with James Whitcomb Riley who took him to his heart as a choice congenial spirit in poesy and humor. The greatest leaders in insurance recognized him as one of their own and he was equally at home with Henry Evans and Darwin P. Kingsley. Among the literary men of Kentucky he has long held a high and secure place and one of the authorities in this field recently placed him at the head of Kentucky writers.

### Tried to Avoid the Trappings

And yet as a writer he produced very little. He seemed to wish to avoid the trappings that go with literary fame. He was not exclusive or "highbrow," but just the opposite, and yet he did not want to be bothered with the attentions that are accorded the so called "popular man." What he wrote was about something that interested him keenly. Many subjects before him would have made good literature yet they never enticed him to write at all. There is real literature in the thousands of letters that he wrote his friends. There was real literature in his every day, casual conversation. To be numbered among his friends was a perennial delight and satisfaction. It was a thought treasured as one thinks of happy days and sweet memories. If you were one of those friends, it just happened so. If you were not, there was nothing you could do to gain his interest.

It would be beyond me to make a true estimate and criticism of his mental powers and his charming many sided

wished. What he did write about him were merely fragments. Allison did not have the urge to write for a living which pressed Stephenson on and on. He never produced literature of necessity. He always played and never worked at writing, and even after he had written something he cared nothing about its circulation.

### Had Magnificent Poise

There was nothing striking about his personality except perhaps his innate and instinctive courtesy to everyone, but one could not help noticing his large poise which betokened a great working brain. I spent a couple of charming hours with him only two months before he passed on. We always talked of many things, except business, or rather I listened. In our talks we always discussed Stephen Foster and on this occasion he showed irritation that people should engage in controversy and take such a large interest in mere facts. He remarked that throughout his life he had never sought anything but romance and I believe this to be the keynote of his activities. He was absolutely devoid of any meanness or pettiness. He was of course not a romanticist because above all he sought always the kernel of truth and reality in the beauty of life, literature and nature. Although not a typical Kentuckian, in the popular sense, he was of the soul of Kentucky. That "first gentleman of the south" an insurance man, Gen. John B. Castleman, found him as congenial a companion as Henry Evans or James Whitcomb Riley.

### Spirit of Religion in Him

He knew little of and cared nothing for the forms of religion. He would perhaps be classed as an agnostic, and yet the spirit of religion was within him. When I remarked to him on one occasion that Professor Loeb of California had discovered a scientific means to produce life, he pooh-poohed the idea and said that Loeb could not be right. He used to spend several weeks a year with the head of the Trappist monks, the Silent Brotherhood, at Gethsemane, Ky., and he was on the friendliest terms with Catholic priests, Jewish rabbis, and men religiously inclined. In spite of his

(CONTINUED ON NEXT PAGE)

Are You ? Gambling



With the ● Future?

ELIMINATE THE GAMBLE

Our Retirement Income  
Contract

Guarantees—

Liberal Return  
Disability Benefits  
Accidental Death Benefit  
Life Income at Retirement  
Absolute Security of Your Money  
Protection to your family at all times

The most attractive policy we have  
ever offered to policyholders

AGENTS

Others are selling this contract profitably. You can, too. Investigate.

AGENCY OPPORTUNITIES in Massachusetts,  
New York, New Jersey, Delaware, Maryland,  
Ohio and the District of Columbia

BROOKLYN NATIONAL  
LIFE INSURANCE CO.

Brooklyn National Life Building  
57 Willoughby St. - - Brooklyn, N.Y.



## Guaranteed Life Incomes

Retirement plans, operated by life insurance companies, whether or not life insurance is included, provide that certainty as to future income people are looking for today.

For many years the Connecticut General has actively promoted the sale of such plans; a variety of options gives its contracts the flexibility they must have to be continuously satisfactory over the entire period they are calculated to serve.

**Connecticut General  
Life Insurance Company**  
Hartford, Conn.

## LIVE LEADS

Fidelity lead service provides a steady stream of live leads. The average policy written from these leads and the premium values are large. Returns from circularization on the Income for Life plan, originated by Fidelity, are exceptionally high.

Send for booklet  
"The Company Back of the  
Contract"

## Fidelity Agents Profit

With an effective lead service and a complete kit of sales tools, Fidelity agents are profiting. Low Rate Life, Family Income, Disability, Accidental Death Benefits and a full line of annuity forms are included. They are backed by more than half a century of fair dealing.

**The FIDELITY MUTUAL LIFE  
INSURANCE COMPANY**  
PHILADELPHIA  
WALTER LEMAR TALBOT, President

## Time Is Ripe to Strengthen Faith

**Company President Believes Public  
Receptive for Story of Life  
Insurance Safety**

### NEED AD CAMPAIGN NOW

**Ashbrook of North American Believes  
True Picture of Institutions' Sound-  
ness Would Inspire**

The faith of the American public in life insurance is greater than ever before, and now while the iron is hot is the psychological moment for life companies to strike with an institutional advertising campaign, E. S. Ashbrook, president North American Life of Chicago, counseled this week.

At the moment, Mr. Ashbrook believes, the public confidence in life insurance is based largely on blind faith, as it always has been to a large extent. People invested in real estate, stocks, bonds and whatnot, only to have their faith in the much heralded permanent prosperity era shaken to the foundations.

#### Helped to Avert Disaster

In thousands of cases the life insurance, contracted for grudgingly after agents had hammered and pounded away for months and even years, proved to be practically the only assets remaining on which something could be realized in the emergency. In fact, the cash loan values served in a degree which probably never fully will be realized, to ameliorate the crushing effects of the stock crash and business depression and to provide cash funds with which to salvage some of the loss and upon which actually to live for a time.

For all of this, Mr. Ashbrook believes, the public is grateful. People have begun to get more nearly the true perspective on life insurance. They are turning to it more and more, not only for protection, but as a simple, fool-proof, guaranteed business, personal estate and old age plan under which all the individual has to do is make his deposits and all the cares and hazards of administration are lifted from his shoulders.

#### Field of Opportunity

Yet, as Mr. Ashbrook says, this great impetus to the life insurance idea is based largely on faith, and not on knowledge.

"It is my opinion," he says, "that the true picture of the almost miraculous soundness of life insurance rarely has been painted for the public. That is a field which it appears to me offers the greatest possibilities in the future. I believe despite the lack of an organized, carefully thought out institutional advertising campaign of life insurance companies, the next few years will see far more life insurance sold than ever before in a similar period.

"Life insurance companies and agents have a unique opportunity at this time, and also a responsibility, to inform the public on the why of the soundness of life insurance. It is a story which offers great latitude in expression and which contains real human interest.

"It is practically a physical impossibility to break an American legal reserve life company today. It would require the most unusual combination of conscienceless crookedness and ignorance on the part of its officials, terrific investment and mortality losses. Even if all this would occur, it is inconceivable that policyholders would lose. For such is the nature of the business that some other company would be glad to take over the obligations and discharge them fully for

the sake of the premium income involved.

"But the most important phase is the basic idea of life insurance, that of mathematically spreading the losses of a few among the many. This is accurate to a high degree, and as a result of the method, life companies do not need to have liquid investments.

#### Liquidity Not Paramount

"Frozen assets may break a bank or almost any other kind of business institution, but if these ever become frozen it is inconsequential to a life company, whose investment portfolio has, as a cornerstone, long maturities. A life company can meet its daily, monthly and yearly cash requirements out of a portion of the premium income. It could suspend sales and carry out all obligations faithfully. The hard and fast test of a 'going institution' applies to it scarcely at all.

"It is even desirable that assets be invested in long maturities corresponding to the demands which will be made in future by maturing endowments, death claims and so forth. Since that is true, market fluctuations in prices of securities, values of real estate and farms are really of little concern."

Mr. Ashbrook pointed out the wise policy of insurance commissioners in not applying hard and fast valuation formulae to life company securities. Present market values, he said, after all have little bearing on securities bought to meet obligations 20, 30, 40 or more years in future. What is of paramount importance is the income from these investments and the absolute security of principal from the permanent or long time viewpoint.

### Plan Active Life Department

NEW YORK, July 14.—An unusually active life department will be a feature of the general brokerage firm of Spence, Elcock & McAlpin, which has just been formed here. J. E. Spence was formerly vice-president of the prominent brokerage firm of Reynolds, Pomeroy & Co., and previously was with the Travelers for about five years. T. R. Elcock was at one time advertising manager of a large Philadelphia public utility corporation and later secretary of the United States Leather Company. After serving as president of the American Leather Producers Association he went back to the utility field as advertising manager for Stone & Webster and from there he went to the Travelers and then to Reynolds, Pomeroy & Co., at the invitation of Mr. Spence. D. M. McAlpin was for a number of years general manager and later president of the Tao Tea Corporation and is widely known in that field.

### Fred Stolp Dies Suddenly

SAN FRANCISCO, July 14.—Fred Stolp, general agent for the National Life of Vermont at San Francisco from 1908 to 1927 and manager of the company here since then, died suddenly yesterday morning. Mr. Stolp had been with the company 40 years, succeeding his father as general agent.

### An Appreciation of Editor Young E. Allison of "Field"

(CONT'D FROM PRECEDING PAGE)

apparent lack of religious principles. I thought I detected in him, especially towards the last, an inclination towards the Catholic conception of religion. No doubt it appealed to his highly imaginative and spiritual nature. But he could never be conceived of as a churchman. He was just Allison, an enigma to common mortals.

The staff of the New York office of the insurance department will tender a complimentary dinner to J. G. Bill, Thursday night. Mr. Bull, who has been one of the attorneys of the liquidation department, Friday will become a deputy superintendent.



## Surrender Issue Attracts Comment

(CONTINUED FROM PAGE 1)

Although companies have a provision in the policy requiring a certain time before payment is made, yet there have been very few instances where this has been brought into play. Even today there are not very many companies delaying payment of loans and surrenders.

Agents as a whole oppose any change that will have a tendency to augment sales resistance. They declare that it is most difficult now to sell life insurance. The number of prospects is considerably reduced. People are beginning to question this company and that. Many are afraid their income will be reduced if it has not already. There is a hoarding tendency.

Agents have been preaching however that life insurance is the safest and best instrument to be employed in time of great financial stress. Of course companies cannot eliminate surrender and loan values. They have become a paramount feature of the life insurance contract. Never before, however, have companies been confronted with such a demand for surrender and loan values as during the last few years. The procession has been continuous and the number in it seemingly has been unceasing. There are many arguments pro and con in this movement to revise the charge.

Undoubtedly it will be given the utmost consideration by officials and the field viewpoint will have to be weighed most carefully. Agents are having a hard enough time today without imposing any greater hardships on them. At the same time the great thing in life insurance is security.

### Banks Encourage Loans

The banks have done much to increase surrender and loan demands. Some executives claim that in certain sections at least 50 percent of the money withdrawn from life insurance companies can be traced to suggestions made at banks. Life companies have never passed through such an experience as they are today. Never before have they felt the pressure of long continued demands due to withdrawals. The lapse ratio is stimulated materially when loans are made. It is a general rule that at least from 65 to 75 percent of policies on which loans are made eventually lapse. In days gone by the companies preached merely the gospel of protection and held out life insurance as a fund that would mature at the end of an endowment period or at death. As time has gone on life insurance broadened and the reserves became a sinking fund for emergencies. The fact that the life insurance equities have been emphasized has undoubtedly drawn the public mind to insurance as a cushion on which to rest in times of great emergency.

## Plan for Meeting Problem of Loans Given by Actuary

(CONTINUED FROM PAGE 6)

tained insurable age and for an amount of insurance not greater than the face of this policy, have issued to him without further medical examination, a new ordinary life policy bearing the date of issue of the date of surrender of this policy contract.

"Loans or surrenders for less amounts than the full loan or cash value of the policy may be made and paid and the proper issue date of the new policy, premium, and other policy adjustments will be made by the company in conformity therewith."

The plan suggested is based upon practices already being used by several companies, but is placed in a more practical form. The writer freely offers it to any company for adoption and his compensation will be the extent to which it upholds the integrity of life insurance.

## Number of People Engaged in Insurance

Statistics gotten up by the insurance department of the United States Chamber of Commerce show that there are 3,593,000 persons in the United States dependent in whole or in part upon the insurance business. The estimate of those actually engaged in the business, exclusive of their dependents is 1,043,636. This includes some part time workers. The total of company personnel, that is, officers and office employees including those who work in organizations and bureaus is given as 173,200, divided as follows: Life 86,200, fire 47,000, casualty 40,000. The number of agents, brokers and their employees is estimated as follows: Life 234,500; fire and casualty 809,136 or a total of 1,043,636.

### Berger Made Associate Editor

The Connecticut Mutual Life announces the advancement of R. C.

Berger to associate editor of its monthly magazine of salesmanship, "ComMuTopics," in which capacity he will work in collaboration with Kenilworth H. Mathus, editor of publications.

Mr. Berger went with the Connecticut Mutual in 1929 from his former position as instructor in English at St. Christophers School, Richmond, Va. He is a graduate of Trinity College class of 1928.

### Take Over Lincoln Agency

LINCOLN, NEB., July 14.—The general insurance agency operated by the Lincoln Safe Deposit company, a subsidiary of the Lincoln Trust company, has been sold to the First Trust Company of Lincoln for \$10,000. The safe deposit company and the Lincoln Trust company filed voluntary bankruptcy petitions in federal court July 9 and the first order issued by the court to Receiver Herbert S. Daniel, Omaha, was to sell this agency because of the possibility of companies cancelling out under the circumstances. The price is said to be good. Under the management of George E. Snuffin, the agency had developed into one of the best paying departments of the company, netting \$11,000 last year, according to trust company officers. No action will

be taken for some time with respect to the life insurance trust fund operated by the trust company under the term which policyholders paid premiums on the instalment plan to the company which took care of renewals.

## Plans Shaping Up for the Canadian Officials Meeting

R. Leighton Foster, insurance superintendent of Ontario, who is secretary of the Association of Superintendents of Insurance of the Provinces of Canada, sends out announcement of the 15th annual meeting at Winnipeg, Sept. 6-8. The headquarters will be at the Fort Garry hotel. The first day will be devoted to executive sessions of committees. The open sessions will start the second day with President Dugal presiding. There will be reports of the various committees. The last day will be given to the consideration of reports of the president, secretary and committees.

### Atlantic Life Luncheon

A summer campaign luncheon was held by members of the Newark agency of the Atlantic Life, of which W. S. Vogel is general agent.

### THE N<sup>W</sup>NL TRADITION OF SECURITY

(Last of a series)

[N<sup>W</sup>NL's tradition, placing security above all other considerations, and the continuity of the management which has carried on and perfected this tradition, give definite assurance that regardless of times and conditions, N<sup>W</sup>NL will never compromise security.]

# SAFETY FIRST!

is N<sup>W</sup>NL'S watchword

## IN ALL DEPARTMENTS

"The N<sup>W</sup>NL tradition of security" means all the phrase implies—constant adherence, over many years, to sound business principles and thoroughly tested underwriting, investment, and sales practices. By this means N<sup>W</sup>NL's seasoned, conservative management has attained for this Company an impregnable security which is its outstanding characteristic.

Safety first is the watchword of all departments. Risks are carefully selected—for security. Expenses are wisely regulated—for security. Investments are expertly chosen in fundamental, basic industries, widely diversified and with varied maturity dates—for security.

The wide margin of safety afforded by these practices underlies the unbounded faith in N<sup>W</sup>NL's strength and permanence which is the greatest factor in the satisfaction with which its fieldmen view their company connection today.



**NORTHWESTERN NATIONAL  
LIFE INSURANCE COMPANY**

Minneapolis, Minn.

**STRONG**

**LIBERAL**

### Board of Directors

#### \*F. A. CHAMBERLAIN

Chairman of the executive committee, First National Bank of Minneapolis. Director since 1905.

#### \*E. W. DECKER

President of the Northwest Bank Corporation and of the Northwestern National Bank of Minneapolis. Director since 1905.

#### \*C. T. JAFFRAY

President of the "Soo Line" Railway and Chairman of the Board of the First Bank Stock Corporation. Director since 1905.

#### \*THEODORE WOLD

Vice President, Northwestern National Bank and formerly Governor, Federal Reserve Bank, Ninth District. Director since 1926.

#### E. L. CARPENTER

President of Shevlin, Carpenter & Clarke Co., nationally known wholesale lumber dealers. Director since 1911.

#### A. F. PILLSBURY

Treasurer, Pillsbury Flour Mills Company, known all over the world. Director since 1924.

#### \*THOMAS F. WALLACE

President, Farmers & Mechanics Savings Bank, the largest savings bank between Cleveland and San Francisco. Director since 1925.

#### F. T. HEFFELFINGER

President, F. H. Peavey Company, largest grain firm in the world. Director since 1928.

#### \*O. J. ARNOLD

President, Northwestern National Life. Director since 1925.

\*Member executive and finance committees.

## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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### Member Audit Bureau of Circulations

#### Vast Amount Is Paid Out

We may think that times are hard and they are, and yet there is something significant in the fact that in spite of the depression corporations paid on July 1 in round numbers a billion dollars in interest and dividends. The dividend

item alone runs about \$250,000,000. Much of the money received in this way is to be reinvested. Life insurance should receive its share. It is a heartening thing to chronicle information of this character.

#### A Bright Spot on the Horizon

THERE is a bright spot on the horizon and if it continues to grow there will be a better feeling throughout the country. It all relates to the increase in price of hogs and cattle. Evidently there is a scarcity of animals. It is estimated by an authority that in the five great agricultural states of the middle west the added value of hogs alone is \$293,000,-

000. The value is fixed on the registration of herds in these states. The farmers are getting good prices for cattle and hogs. Corn selling at 25 cents can be raised to advantage at the present prices of hogs if it is fed to them. The farmers deserve a break. Everybody will rejoice that there is this tinge of blue on a stormy horizon.

#### Will Maintain a High Standard

THE EQUITABLE LIFE of New York in its "Agency Items" believes that the high standard of living that has been maintained in this country will be a powerful force to assist in reviving business. People in America, and that refers to Canada as well as the United States, have gauged themselves to a certain standard of living which is superior to that in many countries. They have bought not only necessities but luxuries. They have put their skill, determination, resources and vision back of the great movement to provide the people with those factors that contribute to a higher scale of living. The American people will hardly be satisfied with a continuance of an inferior standing. The EQUITABLE in commenting on the condition says:

"All this can mean just one thing: Business is going to be revived by this impelling force, this overwhelming urge to live well. Americans are determined to dress well, to eat well, to live in fine

homes, to travel extensively, to maintain automobiles, to indulge in sports and recreation, to read fine books, hear good music, to give their children high school and college educations. If these desires had been modified by the depression there might be some cause for alarm. But the resolve to live well has not been affected in the slightest degree. And as it is characteristic of Americans to realize most of their ambitions, business is going to be quickened by this unconquerable determination to enjoy the best that life offers.

"What has all this to do with life insurance? Simply this: Life insurance underwrites all the finer ambitions of men and women, and preserves for the family and for old age the necessary comforts and luxuries to which America has become accustomed. In fact, life insurance has been kept in force by millions of people during these trying times so that, in event of the loss of the breadwinner, the surviving family might

maintain indefinitely its same standard of living.

"So long as the American people are actuated by this desire to live in the best manner, and to spend freely for the advantages which the most wonderful nation of all ages has developed, there need be no doubt about an early revival in business. America has never

ceased to go forward, despite occasional slowdowns in the pace.

"Centuries ago a sage wrote: 'Where there is no vision the people perish.' The American people have not lost their vision of fine, wholesome living, nor the urge to live as well as, and if possible, better than in the best days of the past few decades."

## PERSONAL SIDE OF BUSINESS

George W. Baumann of Jersey City calls attention to the fact that he is state manager of the Maccabees. It was stated in a recent issue that W. K. Blewitt was state manager. Mr. Baumann has held this position since 1913.

V. R. F. Macdonald, who leaves this week for Montreal to open a new branch for the Canada Life after four years as Detroit branch manager, was tendered a farewell luncheon by the officers and directors of the Associated Life General Agents and Managers of Detroit recently with President Milton L. Woodward, general agent Northwestern Mutual, presiding as toastmaster. The association presented him with an engraved gold clock as a testimonial of appreciation of his work as a director.

Dr. St. George T. Grinnan, medical referee at Richmond, Va., for the Mutual Life of New York, shoots a fine game of golf, but he has two sons who bid fair to surpass him. At the recent annual tournament at the Country Club of Virginia, his son, William, eliminated Douglass Call, the club champion, in the first flight, and while he did not win the cup he was well up near the top at the close. In another flight, Dan, his youngest son, won the prize.

Robert E. Manly, Democratic national committeeman from the Philippine islands, is in Indianapolis visiting his brother, Frank P. Manly, president Indianapolis Life. He has been a member of the national Democratic committee since 1912 and has traveled 150,000 miles attending six conventions.

Karl D. King, Jr., of the Travelers group department in Chicago, is the father of a baby girl, Margaret Jean.

Commissioner Lee Herdman of Nebraska, who has been in a hospital in Omaha for three weeks resting up in order to ease a heart attack, is improving rapidly, with blood pressure lowered and nearing normal. He expects to be on duty before the end of the month.

Charles P. Butler, who resigned as second deputy of the New York department, has been appointed assistant to Henry H. Reed, general manager in Greater New York territory for the Insurance Company of North America and the Indemnity Company of North America.

Otis E. West, 53 years old, vice-president Kentucky Central Life & Accident of Anchorage, Ky., died in a Lexington hospital, following an emergency operation for appendicitis. He had been in the business 25 years.

The home office of the National Life, U. S. A. in Chicago has broken down the old tradition as to what magazines should be on a table in a waiting room. The average table in the ante room of a dentist or physician will usually contain issues of the "American," "Cosmopolitan," "Saturday Evening Post" and "Ladies' Home Journal" of the vintage of four months. The National Life U.

S. A. therefore keeps away from the customary and commonplace. On its massive table in its attractive waiting room are current editions of the "Illustrated London News," "National Graphic" of London and the famous "Punch" issued from London. Then to maintain an international flavor and yet bring an American touch can be found the current issue of the "National Geographic."

A. M. Wash, former Kentucky, insurance commissioner, treasurer of the Inter Southern Life and head of the American Life & Accident's claim adjustment department, died suddenly near Shelbyville, Ky., last week. Death was due to a heart attack, following an attack of acute indigestion. Mr. Wash was 56 years of age. He had attended an agents meeting at Lexington, was taken ill on his way home.

### To Speak at Convention of National Association



WALTER C. GASTIL

Walter C. Gastil, sales manager of the home office agency of the Pacific Mutual Life in Los Angeles, who is to speak at the annual meeting of the National Association of Life Underwriters in San Francisco on "Business Insurance," is a native of Indiana but went to California in 1910, when he was 13 years old. After returning from war service, he entered the wholesale grocery business in San Diego and worked up in five years from truck driver to sales manager, but decided that there was very little future in that line of work and entered life insurance with the Pacific Mutual in 1925. He was unusually successful as a personal producer and was made district manager in 18 months. He became manager of the company's branch office in Oakland, Cal., in 1927, and remained there four years, being transferred to Los Angeles last August as assistant manager of the home office agency. He has always been a great exponent of standardization of methods and had a large part in the preparation of the Pacific Mutual's visual sales book.



## NEWS OF THE COMPANIES

### Brandt Campaign Successful

**Ohio State Field Force Goes Over Top in May-June Drive Honoring President**

The field force of the Ohio State Life of Columbus has concluded in honor of President U. S. Brandt the most successful campaign it has ever put on. It covered May and June. In the latter month collections of gross first year premiums were 35 percent greater than in the corresponding month a year ago. Campaign managers set ambitious quotas for agencies, but a recapitulation of returns shows the field force wrote nearly \$500,000 more business than it had been assigned.

The volume of business for May and June combined was 25 percent greater than the volume written in May and June, 1931. Amount of insurance written during the first six months of this year, in spite of general business backwardness, also is greater than written in the first half of last year, and there was an increase in volume in force July 1, 1932, as compared with the company's statement as of Dec. 31, 1931.

The Charleston, W. Va., agency, of which T. S. Holcomb is manager, led the field. The next ten agencies in order are: Chicago, Pittsburgh, Columbus, Lima, O., Toledo, Cleveland, Mansfield, O., Los Angeles, Marion and Ashland, Ky. The Chicago and Ashland agencies are comparatively new organizations.

Among the leading individuals were A. E. Demilio, manager Pittsburgh agency; General Agent Alfred Guay, Los Angeles; L. A. High, manager Columbus agency; C. R. Welch, Columbus agency; C. F. Walker, Charleston, W. Va., agency; J. L. Friedman and N. Carlo, Pittsburgh agency; Henry Stevens, Toledo; R. G. Seifert, Lima; T. S. Holcomb, Charleston; R. W. Law, Chicago.

The winning agency will be presented a large silver trophy and each agency that has exceeded its quota will be presented a smaller trophy. Individual winners will be presented gold prizes and special gifts from President Brandt.

### Union Central's June Shows 5 1/2% Increase Over May

With a 5.5 percent increase in production for June over May, the former was the best in 14 months for the Union Central. June was also the second consecutive month to show a substantial increase in production. May revealed a 22 percent advance in paid-for business over the preceding month. June applied for business also showed a substantial increase over May and was the best record made since June, 1931.

Among the agencies leading are Chicago, H. A. Zischke, manager, where \$1,008,621 of business was paid for in June, and the home office agency, under J. P. Devine, where \$761,318 of business was written. Union Central officials attribute much of the May and June increases to the new selling method developed by the company and to the increased cooperation which the plan enables the home office to give its agencies.

### Federal Reserve Life Officers

The list of officers shown for the Federal Reserve Life on page 1461 of the 1932 Unique Manual Digest should be corrected as follows: B. F. Bushman, president; A. C. Green, assistant to the president; H. W. Jordan, vice-president; G. L. Grogan, vice-president in charge of agencies; J. P. P. Oliver, actuary; W. R. Halliday, consulting actuary; W. B. Irons, secretary; R. B. Swiertz, assistant secretary; J. H. Sandell, treas-

urer; D. D. Stofer, M. D., medical director; F. A. Sloan, general counsel.

### Holding Company Incorporated

OLYMPIA, WASH., July 14.—The Public Service Underwriters of Seattle has been incorporated as a holding company for the Public Service Health & Accident, which will begin operations within the next 60 days, and the Public Service Life, which will be launched later.

Charles H. Leber, a Seattle life and accident man is president and C. A. Magnuson is secretary-treasurer. The life company will operate on a legal reserve basis.

### Bigger Gets Injunction

LINCOLN, NEB., July 14.—Edward C. Bigger, president Missouri Valley Life, has secured a court order restraining his fellow directors from meeting and deposing him as president. He charges that the other officers and directors have formed an illegal scheme to transfer control and management of the company to other parties to their great profit, and that because he had opposed it Director Atwood called a meeting to put through the plan. The court order stopped the meeting from being held. The company has \$1,718,000 in force and wrote \$364,000 new business in 1931.

The Nebraska insurance department stated that no intimation had been reported to it that any effort was being made to sell control, and that being a mutual reserve company, there was nothing to sell.

### Honor President Bounds

"Alabama Bound for Bounds" was the slogan of the Alabama agents of the Lamar Life during June in writing complimentary business in honor of President Jesse Bounds, who is a resident of Mobile, Ala. Cards bearing the names of agents producing in his honor were presented to President Bounds at the home office of P. K. Lutken, executive vice-president.

Officials of two Mexican companies will address the Lamar Life agency convention in the Geneve Hotel, Mexico City, in August. They are: Sr. J. L. Requena, president of La Latino Americana, and F. A. Williams, manager of La Nacional. Mr. Williams was the first consulting actuary of the Lamar Life when it began business in Jackson, Miss., 26 years ago. The agency business sessions will be held aboard the SS. "Atenas" between New Orleans and Vera Cruz. A rail trip is to be made from Vera Cruz to Mexico City.

### Employees Secure Leads

The members of the Detroit Life home office employees association are staging a production drive during the month, being allowed credit for leads turned over to authorized agents. If the association reaches its quota President John A. Reynolds will be host to the entire office force at an outing.

### Provident Mutual Appointments

Henry Bossert, Jr., has been made manager of the agency research department of the Provident Mutual. He has been in charge of conservation for some time, and has also been head of the statistical section.

E. Milnor Bechtel, Jr., has been appointed agency assistant. He entered the Provident's agency department in 1926 from the teaching staff of the economics department of the University of Pennsylvania.

### Colorado Life Increase

A gain of \$75,000 in general surplus was shown by the Colorado Life dur-

## NEW RETIREMENT INCOME ANNUITY

### A real sales builder

The Missouri State Life new Retirement Income Annuity, just announced, makes instant appeal to prospects because of its outstanding values and plainly stated contract provisions.

Monthly income for life or lump sum settlement—optional.

Guaranteed death benefit.

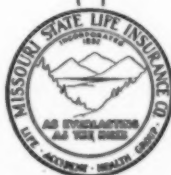
Optional retirement age—between 50 and 70.

Refund annuity option at maturity.

Cash settlement at end of any contract year.

Other interesting details on request.

This contract is just one of many real business getters offered by Missouri State Life.



## MISSOURI STATE LIFE INSURANCE COMPANY

Home Office, St. Louis

**A Good Company to Represent**

## Stewardship

THE MUTUAL BENEFIT is justly proud of its record of stewardship, for funds entrusted to its care have been conserved and wisely increased. Neither war, nor plague nor panic has prevented the performance of its contracts. And in that constancy there is confidence that members of the Company will continue to find safety in Mutual Benefit protection. New policies being issued daily are contractual obligations and will further demonstrate the unchanging character of Mutual Benefit security . . . the first law of a life insurance company is security.

**The MUTUAL BENEFIT  
LIFE INSURANCE COMPANY**  
Newark, New Jersey

## "THE WHISPERING CHORUS"

A FAMOUS play of the above name was presented fifteen years ago. It dealt with the devastating effect of malicious gossip—homes and persons ruined by the poisoned pen and the poisoned tongue.

The life insurance companies, which are successfully withstanding the present business stringency with strength and courage, have, with few exceptions, been the victims lately of "The Whispering Chorus." This is a cause for sincere regret with everyone worthwhile in the business.

Desperate and unscrupulous salesmen, unable to sell insurance on its merits, even with the help of the beneficial advertising the institution has been receiving, make a last ditch effort to get their business by knocking competing companies. These are members of "The Whispering Chorus": Knights of the Poisoned Tongue.

Life insurance companies do business under stringent insurance laws and under the watchful eyes of their legal guardians, the insurance commissioners of the various states.

Do what you can to still the malicious gossips. If a serpent with a poisoned tongue approaches you, step on it.

**NORTH AMERICAN LIFE INSURANCE COMPANY**  
**OF CHICAGO.**

**E. S. Ashbrook**  
President

**John H. McNamara**  
Founder

**Paul McNamara**  
Vice-President

ing the first six months of 1932. Renewals are running 33 percent better than in the same period of 1931. New paid business in June totaled \$500,000.

### Life Company Notes

**Joseph T. Carney**, Cincinnati attorney, has been added to the legal department of the Western & Southern Life.

Four mutual benefit concerns licensed in Illinois have been turned over to the state liquidator, A. S. Keys, as receiver,

they being the Capitol Mutual Benefit, State Mutual Benefit, Great Northern Protective and Great Western Protective. All were located at Peoria.

The Northern States Life of Hammond, Ind., has notified the Illinois department that it is withdrawing from the state as of July 1.

The Farm & Home Mutual Benefit of East St. Louis, the Atlas Mutual Benefit of Mattoon and the Bond Mutual Benefit of Salem, Ill., have all been licensed under the mutual benefit act by the Illinois department.

## LIFE AGENCY CHANGES

### Continental American Shifts

**Worthington Transferred to Philadelphia—Hazel New Wilmington Manager—Turner Goes to Richmond**

The Continental American Life announces appointments of new managers in Richmond, Va., Wilmington, Del., and the Chestnut street branch in Philadelphia.

William P. Worthington, who has been manager at Wilmington, becomes manager of the Chestnut street branch at Philadelphia. Mr. Worthington joined the Continental American in 1919 as a clerk in the home office. He was transferred to the agency department and in 1927 was made manager of the Wilmington branch.

John F. Hazel is appointed to succeed Mr. Worthington as Wilmington manager. His employment with the Continental American dates from 1915. He earned rapid promotion at the head office until he was made home office cashier. In 1923 he resigned to enter the field and has made a good record.

E. D. Turner, Jr., is the manager of the Continental American's new branch in Richmond. Headquarters are at 507 East Franklin street. Mr. Turner has been in life insurance work since 1928 in personal production and agency work. After the war he was employed for a time in the United States Treasury department and then was in the real estate business.

### Macdonald Is Transferred to Montreal by Canada Life

V. R. F. Macdonald, for the past four years manager of the Canada Life's Detroit branch, has been transferred to Montreal to open a second branch office there. C. A. Purdy, who began with the Minneapolis office of the company and for the past two years has been preparing himself for agency management at the home office, has been named manager in Detroit, according to A. Gordon Ramsey, assistant general manager, who is in Detroit.

After five years as manager of a branch of the Royal Bank of Canada, Mr. Macdonald entered the life insurance business in Montreal in 1918, four years ago joining the Canada Life as Detroit manager.

### Form Agency Corporation

The Chicago-Pacific General Agency Co. has been formed in Chicago, headed by A. L. Whitmer, former chairman of the board of the Chicago National Life which was reinsured by the Pacific States Life. It succeeds the U. S. General Agency Corp., which had exclusive selling rights for the Chicago National and whose stock selling operations were criticized. The U. S. concern is being dissolved. The Chicago-Pacific company has secured exclusive general agency contracts to represent the Pacific States in Illinois, Indiana, Iowa, Kentucky, Missouri and Kansas, and general agency contracts also for the other 13 states in which the Pacific States also is licensed.

Stock transfer now is being carried out. One share of Pacific States is

being given for each share in the Chicago National holding company, and one share plus a stock dividend of 1/4 share, in the Chicago-Pacific concern for each share held in the U. S. corporation.

### F. J. Sommerville

The Continental Life of St. Louis has appointed Frank J. Sommerville general agent at Los Angeles. Mr. Sommerville has been special agent for the accident and health department. In his new position he will be in charge of both the life and accident and health business.

### Paul G. Phypers

Paul G. Phypers, who has opened offices at 210 The Arcade in Cleveland, as manager of the United States Life, has charge of the northern part of the state. For five years he was with the Neale-Phypers Company in that city as an agent.

### H. E. Harner

H. E. Harner, former assistant superintendent of the Prudential, has been appointed district manager of the Buffalo Mutual Life at Cincinnati. He started with the Metropolitan Life in 1926.

### E. L. Clair

E. L. Clair has been appointed manager of the Detroit North branch office of the Western & Southern Life. He was formerly manager of this office until a year ago.

### Stanley Spragens

Stanley Spragens of Cincinnati has been appointed general agent of the Pure Protection Life of Cleveland. E. T. Dooley, agent-at-large, has been assigned to assist the Spragens' organization for the time being.

## Life Agency Notes

**Albert Hartshorne** has been appointed assistant manager at New Castle, Pa., by the Colonial Life.

Gifford T. Vermillion, Milwaukee manager Mutual Life of New York, has appointed **Hugh M. Holmes** instructor of agents for the city organization. He has been with the Milwaukee agency of the Massachusetts Mutual Life.

### Double Indemnity Extended

Ruling that the cash reserve on a life policy must be applied to extend the double indemnity clause, as well as the life insurance, notwithstanding provisions to the contrary in the policies, Judge Loevinger of St. Paul gave judgment against the Central Life of Des Moines and the Royal Union Life in favor of Mrs. Marie E. F. Johnson. The Central Life had a \$5,000 policy and the Royal Union a \$2,000 policy on Howard Martin Johnson, who was killed in an automobile accident May 17, 1931. Both policies had lapsed for non payment of premium.

"**Radiments of Business Finance**," by Meade & Scholz, is recommended for "C. L. U." study and can be obtained from The National Underwriter. \$2.00.



## AS SEEN FROM NEW YORK

By R. B. MITCHELL

### INSTALMENT REPAYMENT RESULTS

Instalment plans or other systems for getting policyholders to pay back their policy loans gradually but systematically are not working out with any great degree of success, general agents in New York City find. Conservation efforts of this type are expensive and never before has there been such a large percentage to whom it would be entirely useless to appeal.

So much time must be devoted to efforts to keep in force business that is threatening to lapse that agents who have been in business more than a short time have to devote such a large share of their work to this problem that they have all too few hours for the soliciting of new business. About all they can do is to bend every effort to keep the business on the books and hope that when the upturn in business comes policyholders will see the wisdom of paying off the liens against their policies.

A number of years ago a prominent company tried by direct-mail methods to get its borrowing policyholders to agree to pay off their loans according to a definite schedule but even in those prosperous times the scheme proved prohibitively expensive for the results obtained.

Conservation officials find that the bulk of the actual field work on conservation must be done by the agent. Usually they find that the agent is so busy trying to save the business in which he has a renewal interest that he has little time to give to his cases on which the renewals have expired.

### PRODUCTION OF NEW MEN

General agents in New York City are finding that, on account of present conditions, it is the newer men in the business who are turning in the most desirable class of applications. The principal cause is that the older men have to devote much of their time trying to save cases already on the books. The result is that they are frequently called upon to rewrite their old business.

An agent who writes \$1,000,000 a year may be writing only \$200,000 of brand new business, the rest of the million dollars being on policies he was forced to replace.

Early in the depression it was noted that the newer men were showing up relatively better than the veterans in

combating bad business conditions and this still holds true. The newcomers' advantage lies in the fact they have a new list of contacts and no memories of the easy selling that prevailed in 1929 and earlier.

The new man finds business hard to get but he expected it would be that way. He is more inclined to follow the instructions of his general agent or manager. One leading general agency here has estimated that it takes three times as many calls to get one application as it used to, and it is the younger men who are more prone to get out and make the calls.

Veteran agents are more likely to believe a prospect's protests when the latter says he has no money to buy more insurance. Frequently this is merely camouflage on the prospect's part. One well-to-do man here recently dismissed his chauffeur, not because he couldn't afford to keep him but because a number of his friends had to let theirs go and the man in question didn't want to seem so prosperous that he would be a target for would-be borrowers.

### NEED NOT FILE COMPANY BLANKS

Supreme Court Justice Churchill in New York City has held that a beneficiary need not file with a company proofs of death on forms supplied by it in an action brought by a named beneficiary against another company. The case is *Dana vs. Northwestern Mutual Life*. The first ruling rendered against the New York Life has been appealed to the appellate division. That case involved a claim for double indemnity in addition to the face amount of the policy. The company had contended that the policyholder had died from disease while standing at the flight of stairs and his body had fallen to the bottom. The beneficiary contended that he had died from falling accidentally down the stairs. The question of double indemnity does not arise in the Northwestern Mutual case but the company claimed that proof of death must be made on forms provided by it. The beneficiary admitted that the only proof which she filed was her affidavit. She contended that the company was not entitled to any other document. The court denied the company's application in advance of the trial for ruling that due proof of death shall be on forms provided by the company.

## AS SEEN FROM CHICAGO

### FOREMAN MADE VICE-PRESIDENT

Alfred K. Foreman, who has been connected with the W. A. Alexander & Co. agency of Chicago for about a year, has been elected a vice-president of that office. Mr. Foreman was formerly an official of the Foreman National bank of Chicago, which was taken over by the First National.

### LUSTGARTEN AGENCY AHEAD

The Lustgarten agency of the Equitable of New York in Chicago led all Illinois agencies of the Equitable in June paid production, and also for the first six months of 1932. The June paid total was \$1,086,000, which exceeded June, 1931, by \$349,000. There was an increase of 59 in the number of lives insured. An established plan of education of new and old agents, and good cooperation are ascribed as reasons for the record.

### TRAGEDY IN EXCHANGE

A tragedy was enacted in the north lobby of the Insurance Exchange building at Chicago this week which practically emptied the offices for a time and

brought many hundreds of curious persons to the lower floor. It was the death of a 40 year old man, not connected with insurance, who jumped from the 14th floor into the court and through the great skylight over the north lobby. The body fell through to the lower floor amid a shower of heavy glass fragments, endangering the lives of many passers-by.

### JOLLEY NEW SUPERVISOR

Walter J. Jolley, a University of Illinois graduate who played left end on the varsity for three years and then went with the A. E. Patterson general agency of the Penn Mutual in Chicago early in February, has been appointed supervisor of that agency in charge of recruiting and training. He succeeds Robert Olmsted, who recently became a general agent elsewhere. Mr. Jolley has been assistant sales director in the agency for some time.

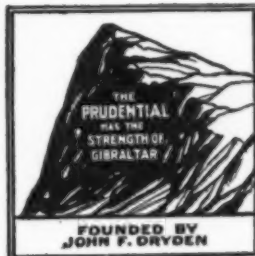
### SMALL POLICIES BEING WRITTEN

Chicago managers say that there are very few policies of any size being written. Companies have become so cir-

## A REMINDER TO LAPSERS

Try this query on the next family provider who says he's going to give up his policy because of economic conditions:

"If you are having so difficult a time supporting your wife and children, how could your wife do it *without any money* if you were taken away from them?"



**The Prudential**  
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey



Again the White Spot  
of the Pacific Coast

**HOTEL  
ALEXANDRIA**

700 ROOMS. NEW LOW RATES

WITH BATH FROM \$2.50 WITHOUT BATH FROM \$1.50

CORNER FIFTH & SPRING STS.

**LOS ANGELES**

## The Summer Echo

In former years each Summer echoed the echo of the previous Summer, which had echoed the echo of its previous Summer, to the effect that business could not be written during the Summer months. An old tradition. Those who didn't want to work leaned heavily on it, and so discouraged many who were already, for one reason or another, in the doldrums. But, like many another tradition, there was little of fact in it. For the whole world does not shut up shop in Summer-time. Business goes on, in all its activities. Prospects are accessible. Vacations don't average more than two weeks—the working world can't spend the entire Summer at seashore or in the hills or at European watering places.

"In the good old Summertime" thousands of Agents have their most profitable days and weeks. And the present season,—despite the well-known you-know-what, will be no exception to those who press their industry hard.

### THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President

Independence Square

PHILADELPHIA

## ORGANIZE—

### "to get into working order"

Present-day conditions demand that the underwriter who desires to maintain production at a satisfactory level, be properly organized.

The Interview Schedule, Prospect Bureau and Organized Sales Presentations provided by the Company have helped Guardian producers to organize their sales machinery on a result-getting basis.

**THE GUARDIAN LIFE**  
ESTABLISHED 1860  
**INSURANCE COMPANY of AMERICA**  
50 UNION SQUARE • NEW YORK CITY

cumscribed in their underwriting that it is difficult to get a large policy through. Managers say, however, that agents who are on the job working energetically are able to write a number of small policies among people in the middle class who feel secure in their positions. The cost of living is down and even if salaries have been cut 10 percent or so there is a margin for investment. With bank failures and investment collapses of all sorts, people of this group are turning to insurance as the most secure purchase they can make.

## AGENCY NEWS

### Largest Volume in Two Years

**Schoch Aetna General Agency in Detroit Reports 25 Percent Increase—Retirement Plans Popular**

Henry K. Schoch, Aetna general agent in Detroit, reports the largest volume of business written in June of this year since November, 1930, showing a 25 percent increase. A significant feature of the business was a sizeable increase in the number of retirement and regular annuities and life income plans, together with a considerable increase in the number of discounted premium cases. It is interesting to note that the number of policies returned after being issued was smaller than for any month in the past two years.

### Massachusetts Mutual Rally

MILWAUKEE, WIS., July 13.—Dr. S. S. Huebner, educational advisor of the Massachusetts Mutual Life, was the principal speaker at the morning session of a regional meeting of Wisconsin representatives in Milwaukee Monday. Dr. Huebner emphasized the importance of life insurance in the present conditions and the soundness of companies in the face of adverse conditions. He emphasized the opportunity of life underwriters to meet the increased demand for the investment type of policies and annuities. The afternoon session included a round table discussion. The meeting was in charge of Arthur J. Butzen, Wisconsin general agent.

### Reese Host to Agents

Nathaniel Reese, general agent Provident Mutual in Detroit, was host to his entire agency force at an outing last week. Donald T. MacKinnon, past president Michigan State Life Underwriters Association and leading producer of the Reese agency, carried off the low gross score in the golf tournament and R. S. Donaldson, assistant to Mr. Reese, and R. C. Stapleford tied for second place.

### Fails to Mention Treatment for Cold, But Policy Valid

The question whether the insured received medical advice or attention within five years before the application refers to medical advice or attention for some ailment which would affect the general soundness and healthfulness of the applicant, according to the California district court of appeals for the fourth appellate district in *Travelers vs. Byers*. The fact that the insured did not disclose in the first application that he had received medical advice or attention for certain slight colds of a few days' duration and a slight attack of influenza, which lasted 10 days and might have been only a cold, did not constitute a misrepresentation, the court decided. Such slight indispositions, according to the court, were not such as to affect soundness and healthfulness of the system nor tend to undermine or weaken the constitution of the insured.

# 3 billion in payments

*That's the amount life insurance companies paid the American public last year.*

**Details of this tremendous amount of "Life Insurance in Action" comes to you the latter part of this month in the Life Payments Localized number of The National Underwriter.**

To keep up your production you need this big number to show your prospects how life insurance functioned one hundred per cent during one of the greatest economic depressions of history, and while other businesses fell short.

Prospects will show more personal and human interest in the *Life Payments Localized* issue than in any other selling aid you have. The number shows the individual claims for 1931, listed by states and cities. It shows the total for every town and city in the United States. Who in your city isn't interested in the claims paid there? The *Life Payments Localized* number makes an impressive soliciting aid and shows those who are hard to convince the great value of life insurance and what it actually does. When you thumb through the pages of this great number, pointing out the high spots to your prospect, you are showing him the best evidence in the world that life insurance pays and pays well.

### SUBSCRIBERS

will receive free a copy of the *Life Payments Localized* number with their subscription but each life insurance office will wish an extra copy for every agent connected with it, so that he may make it a part of his sales kit. Send in your order now.

**Prices for Extra Copies**  
1- 49 copies—75c each  
50- 99 copies—50c each  
100-199 copies—45c each

**The National Underwriter  
A-1946 Insurance Exchange  
Chicago, Ill.**

Enclosed find my check for \$— for which please send me — copies of your 1932 Life Payments Localized Number.

Name .....

Address .....

.....



## PACIFIC COAST AND MOUNTAIN

### California Issues Warning

**Insurance Department Insists That Circulation of Unfounded Rumors Against Companies Be Stopped**

Because of hundreds of complaints that agents, brokers and others have been circulating reports derogatory to many companies in California, the California insurance division has issued a warning against continuance of the practice in the form of a public statement made by the deputy commissioner pointing out that companies have accepted the challenge contained in existing economic conditions, and requesting that the public retain its confidence in the companies.

The statement says in part: "An uncompromising faith and an eagerness for human improvement, and an abiding faith in insurance as the instrument for such improvement, can result only in one thing—the elevation of insurance as an institution to its desired dignity."

"It is to be regretted that companies licensed to do business in this state have been attacked by irresponsible persons. It is especially regrettable that the public, and some agents and brokers should continue such propaganda or attempt to use it in competition. The management of any company may be, and many have been, criticised unfairly, due to general ignorance of the highly specialized nature of the business, and a prevailing tendency on the part of the general public to accept misleading statements as facts."

"The division of insurance insists that the agents, brokers or solicitors must discontinue the practice of circulating or quoting unofficial and unsupported reports relating to the financial standing of any insurance organizations licensed in this state."

"Any unfounded criticism of any company abridges its constitutional right to transact business without libelous comment, and above all else, it destroys confidence in insurance generally, and prejudices the development of the protection, which is essential to every policyholder."

### New Assessment Company

The Mt. Moriah Mutual Life Association, said to be closely affiliated with the Mt. Moriah Hospital Association which has been active for many years in San Francisco, has been licensed to operate in California as an assessment institution. While the hospital association confines its operations and benefactions to Masons, it is understood that the life association will solicit business from the general public.

### Has Slot Machine Policies

The Equitable Life & Casualty of Louisville has developed two policies which are being sold from machines operated in bus and railroad stations, hotels, etc., one a straight travel accident policy giving 24-hour coverage for 25 cents, with maximum death benefit \$5,000, and the other a life policy selling at 35 cents a month, covering children and adults up to 59 years, requiring no application or examination, and convertible at the end of five years to any form other than term. It is similar to policies of other companies selling for \$3.65 a year. The forms were devised by President J. R. Duffin.

### Not Quitting Monthly Field

The Alta Life of Philadelphia, which has started writing accident and health business on the weekly payment plan, is not abandoning the monthly premium field, as was recently stated. It is still writing on the monthly, quarterly, annual and semi-annual basis.

### In New Post



C. W. HOLLEBAUGH

C. W. Hollebaugh, who for the past two and a half years has been at the head office of the Oregon Mutual Life at Portland, as field secretary, has resigned to return to San Francisco. Mr. Hollebaugh has joined the San Francisco branch office of the Pacific Mutual Life. He is one of the original C. L. U.'s on the Pacific Coast and was formerly editor of the old Pacific Underwriter.

### Interest Over Heron's Move

**Materialization of His Advanced Ideas Is Expected with Launching of Income Life**

The return of F. W. Heron to active leadership in life insurance on the Pacific Coast, particularly at the head of a company designed to operate along lines which he has advocated for many years, has created much animated discussion among his many friends. Mr. Heron, called the "father" of the old-age pension life insurance idea, submitted many advanced thoughts for life insurance to a number of leading California financiers and business leaders with whom he has been closely associated through hobbies for years. The Income Life, which is now completing its organization with \$1,000,000 capital, resulted with Mr. Heron at its head.

It is reported in friendly circles that Mr. Heron's resignation from the official staff of the Fidelity Mutual Life more than a year ago was prompted mostly because of his desire to remain on the Pacific Coast, instead of returning to Philadelphia, which he left 20 years or more ago. He was with the Fidelity Mutual for nearly 30 years.

Mr. Heron has stated that the Income Life will be, in every sense, a company devoted entirely to selling life insurance on the income settlement plan. He said that he has several new policy forms which the company will introduce to the field. It is expected that the new company will not get into action for several more months, although sufficient capital stock has been underwritten to qualify it for operations in California.

### Wharton Made Sales Manager

J. J. Wharton, Denver, has been promoted to sales manager of the accident department of the Gibraltar Life & Accident. He has been with the company three years.

## Large Enough to be Sound; Small Enough to be Intimate

SECURITY MUTUAL LIFE has attained a standing of stability through consistent growth and accomplishment for nearly half a century. Our personal contacts with agents make it possible to offer exceptional opportunity for the development of agency personnel along modern lines and backed by sincere Home Office cooperation.

## Security Mutual Life Insurance Company

BINGHAMTON, N.Y.

## The Road Ahead

The success ahead of a life insurance salesman depends upon five definite things—

1. Himself
2. His field
3. His policy contracts
4. His contract
5. His company

All of these are equally important. If all are good, success can be predetermined.

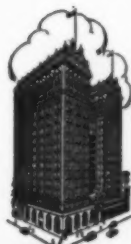
To the man who possesses the right qualifications, we will supply the other requisites of the right field, the right policies, the right contract, with the right Company.

●For information address:  
A. R. Perkins, Agency Manager

## JEFFERSON STANDARD LIFE INSURANCE COMPANY

JULIAN PRICE, President

Greensboro, North Carolina



Home Office



## SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid  
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

*Operating in Illinois, Michigan, Indiana and Missouri*

## INTERSTATE RESERVE LIFE INSURANCE COMPANY

*Mutual Legal Reserve Life Insurance*

Ten East Pearson Street : : : Chicago

## And Now—

## Monthly Premiums!

Agents, profiting by the exceptional money-making opportunities of our Golden Rule Contract, now may place Monthly Premium Policies, as well as those on the Annual, Semi-annual or Quarterly basis.

A Monthly Premium Depositing Plan is certain to be popular in times like these.

**Columbus Mutual Life**  
Columbus, Ohio

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### New Forms Are Brought Out

**Pacific Mutual Issuing Participating Family Income, Retirement Income at 60 and 65**

The Pacific Mutual has brought out two new forms, a retirement income with insurance to age 60 or 65 and a participating family income policy, has revised the rate book and made the new disability program effective July 15.

The old family income is continued. The new form has premiums payable for life with reduction at end of family income period to ordinary life premiums as of original age at issue. A form with 15-year dependency period is added, giving latitude of 10, 15 or 20 years now. Dividends per \$10 a month family income for all periods are the same as for \$1,000 ordinary life.

Non-forfeiture values have been increased, those for policies with a 20-year period being 52 percent to 91 percent higher at age 25, 29 percent to 35 percent at age 35, and 14 percent to 27 percent at age 45.

The new retirement income is entirely new but patterned after the insurance with life income forms, with certain important advantages. The unit is \$1,000 death benefit and maturity value \$10 a month income payable for 100 months certain and for life. If written on annual dividend plan, an accelerating option can be employed to pay up the contract in a shorter period, but does not hasten maturity date. The contract will be issued with the complete permanent total disability benefit or with premium waiver only. Rates per \$1,000 are:

Family Income			Retirement Income		
Age	20	15	10	60	65
10	.....	.....	.....	\$20.05	\$17.39
15	.....	.....	.....	22.93	19.49
20	\$21.37	\$20.47	\$19.53	26.75	22.22
25	23.80	22.78	21.79	31.88	25.81
30	27.04	25.77	24.64	39.00	30.61
35	31.74	29.99	28.53	49.29	37.28
40	38.53	35.96	33.90	65.97	46.87
45	48.49	44.62	41.52	91.76	61.54
50	63.07	57.13	52.38	145.33	86.09
55	84.16	75.08	67.73	304.73	134.51
60	.....	.....	.....	.....	195.40

### Mutual Life of Baltimore

For a premium slightly larger than the regular endowments at 60 and 65 the Mutual Life of Baltimore is offering a retirement income giving a larger income at maturity than is possible under the regular endowment forms. One thousand dollars insurance is carried until the cash value exceeds that amount. The cash at maturity is \$1,375 for the age 60 plan and \$1,200 for the age 65 plan. A \$10 monthly life income guaranteed for at least 100 months is payable in lieu of the cash value. Both forms are non-participating.

Retire-ment Income			Retire-ment Income		
Age	60	65	Age	60	65
16	\$ 19.09	\$ 15.81	40	54.84	38.47
20	22.07	17.66	45	78.72	51.87
25	26.34	20.65	50	129.22	75.05
30	32.27	24.71	55	.....	118.53
35	41.15	30.58			

### Mutual Benefit Life

The Mutual Benefit Life, in connection with its 1932 dividends, makes the following announcement to disability policyholders: "While the company's supplementary disability policies have yielded a surplus, the directors have deemed it advisable to refrain from declaring a general dividend on such policies in 1932. It has, however, ordered that pending the declaration of the general dividend all supplementary disability policies which terminate after being in force three years shall receive their share of the accumulated surplus."

### Non-Participating Rates Cut

**Abraham Lincoln Life Also Makes Changes in Juvenile Forms—Accepts at Birth**

The Abraham Lincoln Life has made a number of changes affecting juvenile policies and non-participating rates for several forms. The age of acceptance of juveniles has been reduced to birth instead of being limited to at least three months as formerly. The scale of death benefits applicable to ages at issue below six months is: For each \$1,000 of ultimate amount death benefit, \$50 during the first half policy year; \$100 balance of first policy year; \$200 second policy year; \$400 third year, etc., up to \$1,000 in the sixth and subsequent years.

A new rate book shows "non-par" premiums on a reduced basis, applying only to ordinary life, 10, 15 and 20 pay, O. E. at 65, 20 pay endowment at 65, O. E. at 60, 20 pay endowment at 60; 10, 15, 20, 25 and 30 year endowment, ordinary life preferred and the five-point G. P. S. The new "non-par" rates are shown below for quinquennial ages on six of the more popular forms:

Age	Ord.	20	O. E.	20 Yr.	5 Pt.	O. L.
16	\$12.80	\$20.58	\$14.87	\$40.52	\$25.63	\$12.43
20	13.94	21.92	16.54	40.74	28.30	13.48
25	15.72	23.92	19.21	41.12	30.90	15.10
30	17.99	26.35	22.83	41.65	33.95	17.19
35	20.97	29.33	27.88	42.46	37.60	19.91
40	24.98	33.13	35.30	43.78	42.05	23.50
45	30.42	38.04	46.02	46.02	47.65	28.35
50	38.11	44.67	.....	50.11	55.40	34.99
55	48.78	53.75	.....	56.80	.....	44.13
60	63.74	66.78	.....	67.96	.....	56.83
65	84.97	85.86	.....	85.63	.....	74.65

### Hiatt Is Congratulated

A. H. Hiatt, Jr., supervisor in the S. T. Whatley general agency of the Aetna Life in Chicago, is receiving congratulations over getting the second prize in a contest conducted by his company through its field publication, the "Life Aetna-izer." Mr. Hiatt submitted a plan called a "Guaranteed Savings Plan," which the Chicago agency is using to good effect at the present time. It is a complete and appealing system of paying life insurance premiums by means of consistent daily savings. Mr. Hiatt was born at Peoria in 1902 and entered the life field immediately on graduating from college in 1924. He started as an agent at Peoria. He became supervisor of the Aetna Life general agency there and in 1929 was transferred to Chicago.

### Rate Book Is Taken for Holy Scriptures

While conducting a school of instruction for salesmen in the Columbus, O., agency of the Bankers Life of Iowa, Assistant Superintendent of Agencies J. G. Butterbaugh suddenly shot this question at his audience: "How many of your neighbors know you are in the life insurance business?"

Frank Bauer jumped to his feet to relate his experience. Riding down to the office on a street car a few mornings previously, he said, he was carrying his illustrated rate book in his hand. An elderly lady sitting next to him laid her hand upon his arm and smilingly remarked, "I am so glad to see that you are working for Jesus."



## NEWS OF LIFE ASSOCIATIONS

### Dr. Huebner Detroit Speaker

Plans for C. L. U. Preparatory Course Laid at Luncheon of Underwriters Association

Plans for launching a course in life insurance selling leading to the C. L. U. degree were laid at a luncheon meeting of the Life Underwriters Association of Detroit. Dr. S. S. Huebner, dean American College of Life Underwriters, was principal speaker. A representative of the College of the City of Detroit expressed willingness of the college to undertake the teaching of life insurance work, although the college has no faculty member at present qualified to conduct the course.

More than 20 underwriters heard Dr. Huebner's address, followed by a round-table discussion participated in by some 30 persons interested in C. L. U. work. F. J. Little, Massachusetts Mutual, presided in the absence of President T. F. O'Keefe, sales manager Mutual Benefit.

"An unwise man may have all of his eggs in one basket and drop the basket when a depression comes along, but life insurance companies stand firm in good and bad times alike because their eggs are all over the country," Dr. Huebner said.

#### Discusses Speculation

"If I were rich, I would feel it a duty to buy stocks—to take a risk of losing my money on the possibility that I would have it earn a big profit. But no average person ought to get into the stock market. That is a millionaire's place, and even he should not have all his investments there."

"If more business men applied the conservatism of life insurance companies to their investments we would not be up in the peaks at one time and down in the dumps the next. Business would remain on a more even keel. Our troubles come from a foolish exuberance, when we try to make eight out of two added to two."

#### Diversified Investments

He said apropos of investment diversification of life companies, "Theirs is a program of safety and assured income, not a program of increased income. Their income is larger than their outgo. They buy little or no foreign bonds and stocks. Their investments are not laid away and forgotten, but watched continually, changed to meet changing conditions, and viewed as a trust fund."

"That is why legal reserve life insurance companies are comparatively in a better condition than any other business endeavor now. Failures among them have been negligible, for they have avoided the very things which have caused other forms of business this trouble."

**Miami, Fla.**—R. B. Walker, Hollywood, was installed as president of the Miami association at a luncheon meeting last week. L. E. Edwards, Miami, is vice-president, and A. R. Cassidy, Miami, secretary-treasurer. Delegates to the National convention include R. B. Walker, Walter Pierce, Joseph Lipton, Walter Bruns, Samuel Burgess and T. H. Sils. The delegates have been instructed to bring the convention to Miami in 1934.

**Los Angeles**—At the first board meeting of the new administration of the Los Angeles association, President M. H. Horton, million dollar producer for the Bell Agency of the New York Life, the hospitality committee was formed to arrange for the entertainment of life men who are coming to Los Angeles on the Roger Hull special eastern train. R. A. Brown, chairman of the million dollar round table, is urging all million dollar producers going to the San Francisco Convention to go by way of Los Angeles and visit the Olympic games.

### Plan Colorado Conventions

Several Companies to Hold Field Gatherings in State During Next Two Months

A number of regional life conventions scheduled for Colorado cities during the summer season have been announced by Jim Godard, chairman of the convention committee of the Colorado Association of Life Underwriters.

The list includes the Continental National's Hundred Thousand club at Grand Lake, Aug. 6. President C. E. Becker and other home office officials of San Antonio, Texas, will attend. E. T. Corley, Denver, Colorado manager, is in charge of arrangements.

A convention of the Franklin Life's \$250,000 club will be held at Troutdale, July 19-20. Jim Godard, Denver, general agent, is in charge of arrangements.

The Bankers Life of Des Moines will hold a regional meeting for representatives in several mid-western states in Denver Aug. 8-9, with W. A. Scroggs, agency manager, Denver, in charge of arrangements.

The Aetna Life will hold a regional meeting at Troutdale Aug. 1-3; with J. S. Edwards, Denver, general agent, in charge of arrangements.

The Prudential will hold a regional meeting for representatives of several mid-continental states at Colorado Springs Sept. 21, G. A. McTaggart, Denver, general agent, in charge of arrangements. President E. D. Duffield and other officials will attend.

**Bay City, Mich.**—The Bay City association was told by the main speaker at its July meeting, Otto F. Louis, that "the government could learn much from the insurance companies on the principles of economic administration." Mr. Louis spoke on "Life Insurance from the Business Man's Standpoint." C. T. Porter gave an analysis of his company's investment portfolio, explaining how the company maintains a high average value.

**Milwaukee**—Nearly 200 life underwriters this week attended the July meeting of the Milwaukee association at which Dr. S. S. Huebner, dean American College of Life Underwriters, talked on "Life Insurance as Business Reverse Insurance." He emphasized the strong position of life companies. Companies' investment policies provide that decline in market value does not affect them because they buy for maturity and amortize the investment over its life. President Kenneth Jacobs presided. Tuesday Dr. Huebner addressed a second meeting on the C. L. U. movement. Frank Hughes, chairman education committee, being in charge of arrangements.

**Colorado**—A tentative list of the committee members for the Colorado association has been announced by President C. A. Schroeder of Denver. The advisory board is: Ralph Taylor, J. Stanley Edwards, C. J. Daly, J. T. Allen, Harry Hunsaker and Oscar Watson.

**Detroit**—The membership drive of the Detroit association, which closed June 30, brought the paid membership up to 459, setting a new all-time record for Detroit. Membership last year was 431. Francis E. McMahon, Aetna Life, was membership chairman.

**Oklahoma**—President Jesse A. Todd of the Oklahoma association has appointed the following committee chairmen: Legislative, L. C. Mersfelder, Kansas City Life; entertainment, Tom B. Reed, Great Southern; Guy Goldstandt, Equitable Life of New York; reception, R. T. Shipley, Penn Mutual; educational, Al Irwin, Northwestern Mutual.

C. C. Day, general agent Pacific Mutual, is national committeeman.

**San Francisco**—Plans are now being made by Ben P. Shaprio, president San Francisco association, for a monster pre-convention rally to be held this month. Life underwriters from Oakland, under the direction of Thomas A. Cox, president East Bay association, will partici-

# EFFICIENCY

Efficiency Is the Elimination  
of Wasted Effort

Our policies increase your efficiency  
by saving time and effort—they  
meet the needs of desirable customers  
and prospects.

If you are interested in a permanent  
connection in Ohio or New York, it  
will pay you to investigate.

JOHN M. HULL,  
President

FRANK F. EHLEN,  
Director of Agencies

## BUFFALO MUTUAL LIFE INSURANCE COMPANY

Founded 1872

452 Delaware Avenue

Buffalo, N. Y.

## UNITED MUTUAL

### Shows Strong Gains for First Quarter

In spite of generally backward business conditions United Mutual Life Insurance Company showed important gains in New Business, in Assets and in Surplus, for the first quarter of 1932. This means that selling representatives of United Mutual are doing well, and that when times become normal their harvest of contracts will be proportionately greater.

United Mutual is a strong company, with practically all of its assets in Government and Municipal Bonds. It safeguards the interests of its policyholders and cooperates with its representatives. Consequently a United Mutual connection offers a real opportunity for General Agents and Field Men. There is still excellent territory where representation is needed. Only high class men will be considered, but for those who qualify we offer a very attractive proposition.

Personal interviews will be arranged with qualified applicants. Give information as to your record and ability, in your first letter. All correspondence will be held in strictest confidence.

## United Mutual Life Insurance Company

Harry Wade, President

941 North Meridian St.

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**COLUMBIA LIFE**  
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Cincinnati, Ohio

Desirable territory open in Ohio, Indiana and Kentucky.

pate in the meeting to which members of all associations in the northern part of the state are to be invited.

Ben F. Edwards, executive secretary San Francisco-East Bay convention committee, is endeavoring to have a 100 percent registration for the National convention among underwriters of this section of the state before Aug. 1. A number of the associations have indicated they will have a large registration and it is planned to complete the details at the "pre-convention rally."

**Tulsa, Okla.**—The following committee chairmen appointments were announced by President R. E. Seever of the Tulsa association: Membership, R. A. Hittson; program, H. A. Luckhardt; educational, L. D. Stark; legislative and publicity, W. L. Ditzler; entertainment, Floyd Shurtleff, and grievance, C. E. Hadley. Harry Emmert is national committee-man.

**Houston, Tex.**—At the annual meeting of the Houston association the following officers were elected: H. K. Cassidy, president; Roy Cox, vice-president, and Mrs. Edna Ratisseau, secretary-treasurer. Mr. Cassidy, Mr. Cox and Dewey Kemp were named on the executive committee. The delegates to the national convention are Guy McLaughlin, Mr. Cassidy, Mr. Kemp, Abram Geller and Edwin Gross.

### Bankers Life Man Dead

H. W. Jackman, Mankato, Minn., agency manager for the Bankers Life of Des Moines, died in the Iowa Methodist hospital July 7. He had been in the hospital for several months. Death was due to carcinoma of the lung. Mr. Jackman was the son of O. B. Jackman, superintendent of agencies of the Bankers Life. He was 51 years of age.

Starting with the Mason City, Iowa agency, he was appointed supervisor of that agency last year and a few months later was promoted to manage the Mankato territory.

### Fulton Office Celebration

Edwin H. Fulton, general agent in St. Louis, for the Missouri State Life July 16 will celebrate his 69th birthday. He joined the Missouri State Feb. 15, 1905, and throughout his long career has been one of the company's best personal producers. He has never failed to qualify for the Quarter Million club since it was organized. Mr. Fulton has increased his business every year since he started writing life insurance. In 1918, Walter Funk became associated with Mr. Fulton. The Fulton-Funk agency plans to write 69 applications in July as a tribute to Mr. Fulton.

### Form Catholic Women's Aid

Charter has been issued by Pennsylvania to the Russian Orthodox Catholic Women's Mutual Aid Society, of Wilkes-Barre, organized for the purpose of aiding members by payment of disability benefits in illness, accidents and old age; to provide for death benefits and for social and intellectual improvement. Capital stock is not given.

### Night Call Contest Was Success at Pittsburgh

S. M. Thompson, general agent for the Lincoln National Life at Pittsburgh, conducted an unusual sales contest for night calls. A call was issued for volunteers to emulate that famous American, Paul Revere, and to spend the evening of June 29, in active solicitation for business. The men responded and pledged themselves to solicit from 7 P. M. until the small hours of the morning. Short snappy interviews were in order as the agents called on their prospects that evening. The contest was particularly successful, resulting in a nice volume of business and increased agency enthusiasm.

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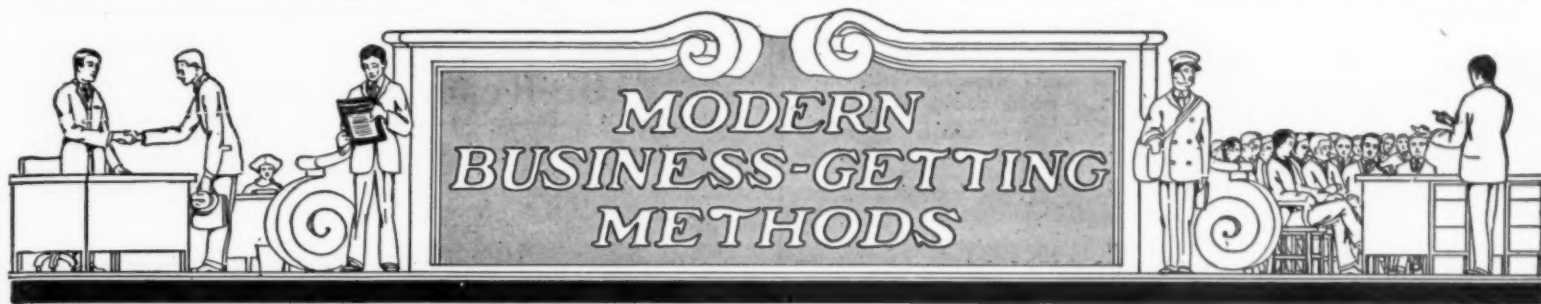
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## New York Banker Sees a Demand for Life Insurance as a Result of 1932 Federal Revenue Laws

The federal revenue act recently passed by Congress and signed by President Hoover has created widespread consternation among tax-payers, and sweeping changes in relation to inheritance and gift taxes. There has been considerable confusion regarding the provisions affecting life insurance. Vincent L. Banker, second vice-president Chase National Bank, New York City, has prepared an analysis on "The Possible Effects of the Revenue Act of 1932 Upon Life Insurance and Its Sales," which should be of great value to underwriters. It is presented below.

By VINCENT L. BANKER

For some time life underwriters have been endeavoring to observe the possible effects of the 1932 revenue act upon life insurance. Generally speaking, any increase in taxation which tends to increase estate liabilities has a tendency to augment needs for life insurance. The portions of the 1932 revenue act in which underwriters are particularly interested relate to the federal estate, the gift and the income taxes.

The federal estate and income taxes increase the requirements for liquid capital available to the executor for the retirement of estate liabilities whereas the gift tax tends to impede the transfer of property by gift in order to avoid the higher estate and income tax rates.

### Explains Tables Which Show Changes Made

Without making any attempt to discuss the details of these provisions in the revenue act of 1932, the following tables and the observations thereon will be of interest to underwriters.

Table I indicates the comparison of estate taxes under the prior act and those of the revenue act of 1932. Column A shows the net estate before exemptions allowed have been taken but after all other deductions have been made. Column B shows the gross estate tax payable under the law prior to

the effective date of the revenue act of 1932. Column C indicates the gross estate tax payable under the revenue act of 1932 now effective.

The marked increase in this type of taxation is apparent. Under the revenue act of 1926 there was provided a credit for the amount of any estate, inheritance, legacy or succession taxes paid to any state or territory, up to 80 percent of the federal estate tax. This credit was limited to taxes actually paid, for which claim was made within the statutory period after the filing of the required return. Under the revenue act of 1932 a credit up to 80 percent of the tax as computed under the revenue act of 1926 is permitted.

### Comparison of Prior and Present Federal Estate Taxes

TABLE I		
A Net Estate (Exempt. Not Deducted)	B Prior Gross Federal Estate Tax	C Present Gross Federal Estate Tax
\$ 50,000	0	0
60,000	0	100
70,000	0	300
80,000	0	600
90,000	0	1,000
100,000	0	1,500
150,000	500	3,000
250,000	3,000	14,000
450,000	10,500	36,000
650,000	20,000	62,000
850,000	31,500	92,000
1,050,000	45,000	126,000
1,550,000	84,500	221,000
2,050,000	129,000	326,000
2,550,000	178,500	441,000
3,050,000	233,000	566,000
3,550,000	292,500	701,000
4,050,000	357,000	846,000
4,550,000	426,500	1,001,000
5,050,000	496,500	1,166,000
6,050,000	646,000	1,516,000
7,050,000	805,500	1,886,000
8,050,000	975,500	2,276,000
9,050,000	1,154,500	2,686,000
10,050,000	1,344,000	3,116,000

### Complicated Matter to Analyze Net Results

In considering requirements for life insurance to cover estate liabilities not only must the 1926 federal estate tax and the additional estate tax levied under the revenue act of 1932 be considered but also indebtedness, miscellaneous probate costs, executors' fees, attor-

## Sells Insurance During Operation for Appendicitis

Some weeks after becoming ordinary manager of the Universal Life & Accident of Texas, Jack Daniel was suddenly stricken with appendicitis and rushed to a hospital at Dallas. His condition was regarded as very serious and an operation was performed under a local anesthetic. While the work was going on his mental faculties were alert. Dr. J. L. Dawson, well known Dallas surgeon, was intently engaged in operating and Mr. Daniel while the work was proceeding told him of the wonderful benefits of life insurance. The result was that an application of \$2,000 came from Dr. Dawson. The assistant in the operation signed an application but he was rejected. Dr. Dawson later in commenting on the insurance said that he could not withstand a sales talk such as Mr. Daniel delivered while nearly at death's door.

### Recruits While Recuperating

A few days later as Mr. Daniel was recuperating, E. F. Lewis, a friend, dropped in to pay his respects. While he was there Mr. Daniel convinced him that he should become an agent of the Universal. In one week during his first month he wrote 13 applications. Mr. Daniel is now back on the job again and the ordinary department which he established is fast becoming an important part of the company.

neys' fees and state inheritance and estate taxes. A comparison of these total elements under the old and the 1932 laws is indicated in the brief table in the next column.

These amounts of comparative liabilities are based upon a survey of several thousand estates recently made by the Chase National Bank in collaboration with the Estate Recording Company of Boston, Mass., information regarding which was secured from records of more than 30 leading cities of the United States. The additional federal estate tax has been added to the total

liabilities under the old law to produce the figures in the third column of this table.

Comparative Illustration of Estate Liabilities		
TABLE II		
Size of Gross Estate	Approximate Old Law	Total Liabilities 1932 Law
\$ 150,000	\$ 26,000	\$ 29,000
500,000	78,500	103,000
1,000,000	170,000	233,000
5,000,000	916,000	1,480,000
10,000,000	1,998,000	3,487,000

Taxation of gifts effected through transfers of various types are taxed at the rates indicated below under the revenue act of 1932.

To the underwriter, the gift tax is significant for two reasons: (1) It has a tendency to inhibit the splitting up of large estates through gifts and consequently makes it necessary for owners of large estates to purchase, if possible, life insurance to cover their estate liabilities, and (2) it makes it necessary for the underwriter to exercise care in the issuance of new policies or in the amendment of old policies so that a designation of transfer of beneficial interests in policy values may not result in making the insured liable for the payment of the gift tax.

Gift Tax		
TABLE III		
Amount of Net Gifts	Amount of Block	Amount of Tax on Total
\$ 10,000	\$ 10,000	.75 \$ 75
20,000	10,000	1.5 150
30,000	10,000	2.25 225
40,000	10,000	3 300
50,000	10,000	3.75 375
100,000	50,000	5 2,500
200,000	100,000	6.5 6,500
400,000	200,000	9.5 19,000
600,000	200,000	11 22,000
800,000	200,000	12.5 25,000
1,000,000	500,000	14 70,000
1,500,000	500,000	15.5 77,500
2,000,000	500,000	17 85,000
2,500,000	500,000	18.5 92,500
3,000,000	500,000	20 100,000
3,500,000	500,000	21.5 107,500
4,000,000	500,000	23 115,000
4,500,000	500,000	24.5 122,500
5,000,000	1,000,000	26 260,000
6,000,000	1,000,000	27.5 275,000
7,000,000	1,000,000	29 290,000
8,000,000	1,000,000	30.5 305,000
9,000,000	1,000,000	32 320,000
10,000,000	1,000,000	32.5 325,000

### Income Tax Calculations Are Also of Interest

The income tax calculations quoted below are of interest to the underwriter because of the rise of accrued income

## Compensation--

There is a reason why the institution of life insurance is triumphantly riding the waves of national financial distress. The reason lies not in good luck, not in vast profits, not in tricky manipulations. It lies in something so obvious, so axiomatic, so simple that the average mind passes over it by virtue of its very tendency to search for obscure causes.

Life insurance has survived, and will survive, because its cornerstone is scientific conservatism. Quick profits, speculation, guesswork, grasping at the temporarily expedient have no place in its methods. It realizes that, at the bottom of the wine of prosperity, are the inevitable drags of depression—and in times of plenty it entrenches itself against the attacks of panic. It survives the worst because it cherishes the best.

Life insurance is neither pessimist nor optimist—it is cold, calculating science that recognizes human frailty and deliberately nullifies its evils.

AMERICAN CENTRAL LIFE INSURANCE COMPANY  
Indianapolis, Indiana

\$1,000 to \$1,600

**Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000**

*Of course issued in larger amounts*

**ALL PREMIUMS RETURNED**

**in addition to face of policy in event death before age 60**

**FULL FACE THEREAFTER AND PREMIUM REDUCED 20%**

**Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter**

**Write for Sample and Particulars**

*This is one of many unique contracts issued by*

**Federal Union Life**  
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taxes increases estate liabilities. Also, the increase of income tax rates should create a new interest in life insurance as a favorable investment medium.

**Illustrative Table Comparing Total Income Taxes Payable Under 1928 and 1932 Acts**

(Married Persons—No Dependents)

Net Income	Tax Under 1928 Act	Tax Under 1932 Act
\$ 2,000	.....	.....
2,500	.....	.....
3,000	.....	.....
3,500	.....	.....
4,000	.....	.....
5,000	.....	.....
6,000	.....	.....
7,500	.....	.....
8,000	.....	.....
10,000	.....	.....
14,000	.....	.....
26,000	.....	.....
30,000	.....	.....
34,000	.....	.....
42,000	.....	.....
50,000	.....	.....
60,000	.....	.....
80,000	.....	.....
100,000	.....	.....
200,000	.....	.....
500,000	.....	.....

It should be apparent that today every owner of a substantial estate is confronted with at least two serious problems: First, the effects of present economic conditions on his financial objectives for his dependents; and second, the effects of material increases in the taxes to be paid upon the settlement of his estate.

**Great Business Demand  
Now Is For Economies**

We find that business men are making a careful study of the assets and liabilities of their business and that they are analyzing the setup of their business organizations with a view to effecting maximum present and future economies. Similarly, we find that it is desirable for owners of substantial estates to make careful analyses of personal estate assets and liabilities and of the instruments of control and transfer.

In conclusion allow me to suggest that a thorough study by life underwriters, attorneys and corporate fiduciaries of these problems as applied to the individual estate owner should result not only in economies for estate owners but also in the sale of additional amounts of life insurance as required.

Lawyer admitted in state and federal courts in Ohio. Practicing 4 years. Thoroughly experienced in title and legal research work. Some trial experience. Would like connection with life insurance company home office. Can give references. Willing to locate outside Ohio. Address W-55, The National Underwriter.

## Cure for Poor Production Must Be Reached After Diagnosis

"If you would cure poor production, you must know its source," says N. B. Weese, general agent of the Lincoln National Life at Little Rock, Ark., "and then apply the remedy." He gives six reasons for halting sales, and follows them with a list of remedies. They are:

### 1. POOR PROSPECTS—

I find that some of us are simply calling on a lot of names and old prospects which are mostly china eggs.

### 2. LACK OF INFORMATION ABOUT THE PROSPECT—

We have not secured enough information about his age, business, earnings, family situation, amount of insurance owned, and other particulars so that we have developed a need.

### 3. A POOR SALES TALK—

Our sales talk must crystallize this need in the prospect's mind. We must be able to explain our plan so attractively that he will decide to accept our suggestion as a solution to his problem.

### 4. FAILURE TO WORK—

The best life insurance men in the

country find it necessary to make from three to five interviews every day in order to do a good job of selling.

### 5. NEGATIVE ATTITUDE—

Our personality and appearance give the prospect the idea that we have the blues and there is nothing more disastrous to the salesman than an attitude of failure or discouragement. We must throw our shoulders back, keep head erect, learn to smile sincerely, and mean "Good morning" when we say it.

### 6. WE FAIL TO USE THE AUXILIARIES OF CIRCULARIZING—

Desk calendars, blotters and other material to acquaint the prospect with our company and plans.

### THE REMEDY:

1. A burning determination to succeed in the life insurance business.
2. An optimistic outlook as to the future.
3. Build up a list of excellent prospects.
4. Keep a daily record of your calls, interviews and sales—your records tell you which way you are going.
5. A good sales talk—study at least one hour every day.

## Tells How to Prepare Talk

Valuable advice on the procedure of constructing a successful sales talk was given at the Baltimore sales congress by V. B. Coffin, superintendent of agencies Connecticut Mutual.

Mr. Coffin suggested 13 questions to ask oneself for this purpose:

### Proposes 13 Questions Agent Should Ask Self

- "1. Am I selling on a necessity basis?"
- "2. Are my opening remarks interesting?"
- "3. Do I get confirmation (agreement from prospect that plan proposed is a pretty good one?"
- "4. Do I show the need clearly?"
- "5. Do I outline the plan clearly and simply?"
- "6. Do I use visual aids?"
- "7. Do I understand when to give the price?"
- "8. Do I use plenty of closes without hammering?"
- "9. Do I use motivation?"
- "10. Do I aim at settlement?"
- "11. Am I perfectly at home with my talk?"
- "12. Do I use rehearsals?"
- "13. Do I really care about it all?"

### Insurance Now Taught in Many Higher Institutions

The "Annals" of the American Academy of Political & Social Science for May contains an article by Dr. S. S. Huebner and David McCahan of the Wharton School of Finance and Commerce, University of Pennsylvania, giving important information on insurance instruction in American colleges. It seems there are 146 that have one or more insurance courses. Fifty-two give special instruction in life insurance or related subjects. Many base their course on the chartered life underwriter degree. Forty-three give special instruction in property insurance. Thirteen give different courses in casualty. The authors say there has been a phenomenal growth of education in insurance in colleges during recent years. Seventeen full time and 219 part time teachers are employed in the insurance instruction.

Mr. Coffin said a great aid to life underwriters is to analyze their own reasons for buying life insurance; to recall all the circumstances surrounding the purchase of each policy and to note how each is growing in value and filling the need for which it was taken. This self-analysis, he said, will greatly assist in selling other persons.

If an underwriter is selling on a necessary basis, he is using the good, old-fashioned life insurance idea, and Mr. Coffin believes this is a year when life insurance will be sold largely by its two fundamental appeals: What it will do in old age, and what it will do for the family. Appeals this year should be based mostly on retirement income and family income, he said.

### Up-to-Date View of Dividend Reductions

The use of dividend cut information as competitive ammunition has lost its effectiveness. The conservation of resources by well managed institutions of all kinds has become so general that the failure to conserve requires explanation, rather than the contrary. The public recognizes that it is to the credit of companies who have reduced their dividends that they have done so.

Take the case of the Northwestern National Life of Minneapolis, a company which stands as a splendid example of how conservative management in good times and bad enables a company to weather business storms with ease. This company made a gain in insurance in force in 1931, its surplus earnings were greater than in previous years, and its investment list is no doubt in as fine a condition as that of any financial institution in America—and yet as a prudential measure it has withheld from distribution \$400,000, increasing its participating surplus and contingency reserves by this amount. When companies of this caliber are recognizing that it is the part of wisdom to withhold surplus from distribution during times of uncertainty, certainly such a policy is a sign of strength rather than of weakness.